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**The family as a priority: socially cohesive and economically competitive**

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**1. Introduction**

By way of introduction, I would like to mention several things of a personal nature. I come from a family of eight children and I was born as the seventh child before the end of the War. In April 2006, when my mother would have been 100, I presented a regional report for the countries of post-communist Eastern Europe at a conference on “Vanishing Youth” in Rome as an “invited speaker” (see Mlčoch 2006). Since that time, the economy of the family has been the subject of my research interest and I see it as a binding obligation.

Previous studies have led me to formulate two types of strengthening feedback which have resulted in the institution of the family being increasingly badly defined, undergoing vertical disintegration and becoming increasingly dependent both on the temptations of the consumer society (the primary loop) and on state aid (the secondary loop). From a micro-economic point of view, the rational behaviour of the family as a player in the market of late modernity leads to a fall in the total fertility rate and to the reduction of family sizes. The demographic at the macro level (with its serious consequences for the functioning of the labour market and for the sustainability of monetary systems) is simply a consequence of the rational behaviour of families at the micro level. However, social cohesion begins at the level of the family and it is also necessary to understand the family as a micro-economic agent which is subject to the pressure of competitiveness. The family as an economic unit is in a situation of objective inequality, both in the market and with regard to the state. In particular, strategies must take into account the fact that only a high-quality workforce equipped with the invisible assets of social capital, trust and the ability to cooperate can be economically competitive over the long term. And the only “producer” of such a workforce is the family; as such, every EU country is subject to the fact that selling the country’s production in demanding markets (as we usually understand economic competitiveness) is directly and critically dependent upon the “economic competitiveness of the family”. In the short-term, it is possible to consume human and social capital and to be competitive, including at the expense of the family; however, such economic competitiveness is unsustainable in the long-term.

## **2. “Ideal types” for (non-ideal) family policies: sources of diversity and comparison**

The Czech Republic is in the post-transformation period. Sociologists and demographers point to the fact that the adjustment processes in the models of family and population behaviour (from the model developed during the 40 years of real socialism to the model in advanced countries) still exist. If we wish to approach the models and to “catch up”, we should consider our national strategy, while using our knowledge of the experience of others. As such, I have selected the usual and tested method of defining some “ideal types” derived from the clusters of culturally, historically and ideologically related countries. The selection of the clusters has been inspired by other authors, but does not follow them strictly, because it is subordinated to the economy of the family and family policies. The selection of the clusters and their characteristics undoubtedly also include a subjective factor; nevertheless, a number of parameters are also measurable and more or less comparable.

**a/ The abandoned Czechoslovak version of the socialist model** – is an agent of our history. The centrally planned model also included the labour markets and therefore also the “offer of the workforce” on the part of households/families. Under the motto of “equality for women”, the ideology’s second plan was to increase employment and this goal was able to be “met” to a supreme degree. Czechoslovakia boasted the highest degree of work activity among women for many years. The path to this goal involved the construction of the infrastructure to care for the children of the employed women ranging from crèches to kindergartens and primary schools (including so-called “after school clubs”). Unwanted pregnancies were resolved by so-called abortion committees which took into account the residential, social, family and personal problems of the applicants for abortions, the legalisation of which was secured by means of an institutional change 50 years ago. The state therefore generously financed “maternity leave”, paid child benefits and gave income tax exemptions according to the number of supported individuals on the one hand (within the confines of its limited possibilities) and organised the “free” termination of unwanted pregnancies (for which it gave its approval) on the other hand. In the 1980s, when this model culminated, the numbers of abortions reached 100,000 a year and the ratio of abortions to live births was often 1:1. It is necessary to acknowledge that the centrally planned family happiness during the period of so-called normalisation led (at least cumulatively) to un-constricted population reproduction and that the regular financing of pensions was difficult to sustain for other than demographic reasons (due to the falling macroeconomic efficiency of the system). The family policy model was therefore highly etatistic and subordinated to the logic of the functioning of the “shortage economy”. Historically, materialism has lost its followers as a world-view ideology, but

everyday materialism once dominated society and gave rise to desires and aspirations to imitate the richer western countries.

**b/ The Czech part of the transformation saw the family as only “dependently variable”**

The transformation of the family and the economy of the family and family policies after 1989 have been the subject of numerous investigations, but they have only substantiated the fact that has not involved (perhaps with the exception of the last few years) a pre-planned concept and strategy in this area. Most of the changes were evoked as a consequence of changes in the economy itself during the course of the privatisation and restructuring period. The degree of women's economic activity fell, the infrastructure of the childcare facilities organised by the state was radically reduced and crèches almost completely ceased to exist. The total fertility rate fell over the long-term to below 1.2 children per woman, while it then rose slightly (1.4) as a consequence of the fact that the generation of women born in the years of the normalisation period (Husák's children) came to the age of fertility. That age also shifted to a higher age category (and thus approached that of the western countries). Even professional demographers dispute the degree of the influence of individual factors (whether the fall in fertility is only deferred or definitive and to what extent). The fact is that we are one of those countries in the EU with low fertility and the prognosis suggests that we will probably come close to the average which is, of course, unsatisfactory. A positive phenomenon is the growth in the average life expectancy – however, this increases the risk of the future collapse of the pension system. The abortion rate has been reduced as a consequence of education and more modern contraceptive means (of which, however, early abortions are still an important part). The rate of miscarriages has recently increased, amongst other things as a result of the deferment of the age for the birth of the first child beyond a biologically optimal level. The demographic indicators characterising the family of our age (the marriage rate, the divorce rate, children born out of wedlock, children who have to be cared for by the state) show negative trends. The family suffers differently than before, but in some ways also more seriously than before (the compatibility of caring for children and holding down a job). The National Report on the Family, the National Family Policy Concept (2004/2005) and the Group of Pro-Family Measures (the 2008 “Pro-Family Package”) reflect these problems. The lack of consensus (not only in the ideological, but also in the professional sphere) and the changes in the political establishment have complicated the delineation of a strategy that exceeds the limits of the electoral cycle. The search for possible models to follow is also difficult, because there are not many of them which have been relatively successful.

**c/ The conservative continental pro-family approach** of our neighbours could constitute a model (?). The concept of a social market economy was prejudicially rejected from the beginning of the Czech transformation strategy – for ideological and possibly also national reasons. The truth is, of course, that this model had already run into serious problems at the beginning of the 1990s (the crisis in the social state) and the most difficult situation is possibly precisely in the areas of the family economy and the population economy. The systems corresponding to the situation with one provider and the mother at home continued to function generally successfully in the 1960s. They then became expensive and at the same time not very effective. Today, family support in Austria and Germany is far more generous than in our country (not only in absolute terms, but also in relative terms as a % of public expenditure on family support (GDP)), but the total fertility rate is still unsatisfactory as is also the case here. It is only in recent years that Germany seems to have taken its situation seriously (the Ministry for the Family, the “Alliance for the Family” project). The future will show whether politicians and business are taking their family support seriously. Extraordinary cases of “a company as a wider family, including its employees” or a businessperson paying a kind of “family wage” (at one time a concept from Catholic social teaching) according to the number of children which an employee has are inspiring.

**d/ The liberal British system of support (the family allowance, family credit and family supplement)**

is closer to the hearts of the Czech right-wing within the framework of the EU. This would also explain the absence of explicit family policies at this time, because the British family policy is also more implicit. In the Anglo-Saxon system, the family is considered to be a more private institution, in which the state should not overly intervene. Tax relief exists, but it is more oriented towards alleviating poverty. The neutral population policy also seems to suit the think-tank established here by Václav Klaus (see M. Loužek). It is necessary to acknowledge that natality in the UK (and in other countries with a similar liberal orientation) is admittedly higher than in our nearest neighbours, although it still has not reached the level of net reproduction. The considerations of imitating this system here should not neglect to consider the comparative advantages of the United Kingdom which lie in its long tradition of private, civil society support institutions which are family friendly.

**e/ The Scandinavian social democratic de-familism approach** was close to the heart of the generation of the reform communists of 40 years ago and today’s social democracy also sometimes “sees itself” in a Swedish light with its “socio-knowledge model”. For the “knowledge society”, economic competitiveness seems to have been based on a high level of

education, science and research (basic and applied); while an active employment policy is the main strategy. The Scandinavian model is associated with a high degree of activity among employed women and it greatly exceeds the EU “targeting” of 60% (up to 75% in Denmark). It is surprising that this trend is compatible with a relatively high birth rate (around 1.75 children per woman). Unlike the 1970s, when the birth rate fell over time in association with the increasing work activities of women, it is paradoxically precisely the opposite which applies today (in a cross-section analysis): Mediterranean countries are distinguished by a low birth rate and an even lower rate of employment among women, while Northern Europe has a higher birth rate and higher employment among women. Nevertheless, this model also has its “imperfections”: a high divorce rate, a high percentage of unmarried couples and a high rate of children born out of wedlock (Sweden 55%, Estonia and Iceland even more). The success of the model supporting the woman/mother by means of positive discrimination in state expenditure (a method of state solidarity) is paid for by the deepening of the erosion of the institution of the complete family. Therefore (the Italian) S. Zamagni uses the term “defamilism”, i.e. a model leading “away from the family”. To date, Scandinavia has also enjoyed the high creation of social capital, shown an above-average tendency towards solidarity and has been “a producer of mutual trust among people”. The question remains as to whether these highly positive components of the social capital in the Scandinavian countries will be able to be reproduced and sustained given the trend of the rapid disintegration of the institution of the family. The Czech Republic is starting to catch up with Sweden in the number of children born out of wedlock and we are currently approaching the level of Denmark.

**f/ The Mediterranean model of the traditional family seems to be in a deep crisis.** Professor Zamagni is, however, also sharply critical of his own country, but for different reasons. The public expenditure on family support is comparably very low (around 1% of GDP compared with almost 4% of GDP in Denmark) not only in Italy, but also in Spain, Greece, Malta and Cyprus. Like the Anglo-Saxon model, the family is perceived here as a private domain, in which the state should not intervene. These countries are distinguished by traditional religiosity, relatively stable marriages concluded “before God” and therefore also a low divorce rate and a lower percentage of children born out of wedlock. Unfortunately, this is, of course, accompanied by a lower natality. The consumer lifestyle is “rolling over” the traditional Catholic and orthodox values and without the intervention of the state it triumphs over children. The **Matriková** religiosity is losing its ability to influence the culture of life and

work, which points to a crisis of Christianity in part of Europe where it once dominated (and where it seemingly still has influence today). In Italy, Spain and Greece, the largest dichotomy is also between the average desired family size and the actual family size (to put it roughly “two children instead of one”).

#### **g/ The American religious neo-conservative model**

has also appeared in the Czech ideas market and we especially come across the point of view from “across the Pond” in the activities of the Civic Institute in Prague (see Civic Institute volume no. 6/1995). As far as the family and family politics are concerned, this interest is fully justified: the USA currently has a total fertility rate of 2.0 and is thus practically the only advanced country from our sphere of civilisation which is not experiencing a demographic implosion. The USA was also the birthplace of Gary Becker’s “family economics”. In their overview, Shelly Lundberg and Robert A. Pollak (2007) present an impressive summary of scientific literature which this school has produced in the past quarter century. Nevertheless, the conclusion of their overview is not particularly encouraging. The increasing heterogeneity of families and their reduced stability is also shown there in the falling value of marriage and the decreasing willingness of people to enter into credible long-term obligations. The models of maximising behaviour and equilibrium do not explain fully the current status of the American family and do not enable the realisation of any prognoses (o.c. p.24).

Allan Carlson (2004) endeavours to demonstrate in numbers that the uniqueness of the population development in the USA has not arisen from the higher natality among Afro-Americans or even from the influx of Hispanics. Rather, he sees the explanation in the increased real value of personal income tax exemptions: the 1986 reforms almost doubled this exemption and furthermore the reforms indexed it to inflation. Ten years later, they introduced the so-called “Child Tax Credit” and the total fertility rate rose by 13% as a result. The argument goes therefore that, whereas “child benefits” (as Europe knows them) do not work, tax exemptions in the USA do work, because “they enable the family to keep more of what it earns, if it is looking after children”. Apart from the “tax friendlier” behaviour of the American administration, Carlson also bases his explanation for the singularity of the total fertility rate on the far less measurable fact of the comparably higher religiosity in the USA (in comparison with Europe). Whereas the argument for tax exemptions could also be relevant in the Czech Republic, the way of devoutness would not seem to be overly hopeful in the “Laboratory of Secularisation” (P. Fiala).

**h/ French market etatism** in a religiously secularised society is therefore of greater interest, but not only for this reason. One hundred years ago, France had one of the lowest fertility

rates in the world. The turnaround occurred there after the 2<sup>nd</sup> World War and nowadays France is often presented as an example of a relatively successful pro-family policy. The total fertility rate is close to the net reproduction rate (1.9 children per woman) and not even the prognosis up to 2050 foresees any large demographic fall there. Naturally, France also has a discrepancy between the average desired family size and the actual family size (half of the families would like to have three children rather than two). The availability of care for children up to three years of age is at the level of the Scandinavian countries and preschool facilities are 100%. Public expenditure on family support exceeds 3.5% GDP, whereby tax exemptions and services financed by the state exceed direct financial contributions. According to some authors, France can be characterised as a country that compensates families for the (financial) costs of “producing children”; the state defrays the family’s expenditure, but does so in a market conforming manner and moreover the “rules of the game” motivate people to enter into the stability of a formal union-matrimony (unlike Germany which positively discriminates against incomplete unions). Other non-economic factors are also important: the stability of the “rules of the game” over time regardless of the changes in the political establishment, which is even interpreted as the “national interest”. However, not even France has managed to resolve the coexistence with the minority subcultures of immigrants, whose families function according to specific rules which collide with the generally valid family policy rules.

#### **i/ Subcultures and “wild cards” in the family sphere**

In the last paragraph, I have at least mentioned the problem area of the “ideal types” of minorities, subcultures and some “wild cards” in the area of families and family policies. Most European countries come across this problem to a greater or lesser extent in one way or another. In the Czech Republic, I consider it necessary to mention the **Roma ethnic group**, for which the family plays a highly significant, but very different role (in comparison with the majority population). This involves an independent and highly complicated problem area (for example the very question as to whether their integration into the majority culture should involve the disintegration or preservation of the identity of the wider family (clan) structure). This further involves the controversial topic of integrated or positively discriminating family policy (and employment policy) rules. The right to work in real socialism in the form of the obligation to work (or otherwise the need to reckon with social sanctions for “parasitism”) is now perceived inconsistently by the Roma ethnic group. I do not feel myself to be sufficiently

expert to express an opinion on this area, but the resolution of the questions of the family economy and family policies in our country will not be able to avoid this.

**“Varied” and “green families” give up on economic competitiveness.** These terms borrowed from Professor H. Librová characterise a subculture which acknowledges different values in general and in the family in particular. The resistance towards the logic of the consumer society takes the form of a type of resignation of economic competitiveness. The selection of “voluntary modesty” may result in the involuntary marginalisation and exclusion of the children of these families at school and elsewhere. The ten-year interval in the research into the fates of the examples of these families led H. Librová to change the title for her monograph to “lukewarm and hesitant” which merely points to the fact that this “ideal type” does not win in competition with the majority culture and that the offer of this model for the general conversion of the consumer society would not seem to be (for the moment) overly promising.

**Christian families as a minority** in the majority population may be (and often also are) classified among the aforementioned “varied” families, in that the values which they aspire to (the protection of the unborn child, the acceptance of disabled children), if authentically applied, also lead to family and population behaviour which differs from the majority society (larger family size, reduced value placed on the economic parameters of the family life). The research of the Centre for Socio-Economic Strategy at Charles University has therefore not omitted this minority orientation, especially when researching values. However, the changes in the macro-demographic trends are not usually associated with this minority.

In neighbouring Germany, **the “singles” subculture** is already a far more significant minority and it is also possible to fear the rapid growth of this subculture in our country. The self-fulfilling hypothesis of individualism, utilitarianism and consequentialism of the imperial family economy is becoming a threat to the demographic future of Europe in that it is making a “null set” out of the family. This subculture leads to high economic competitiveness in the short and medium term (the family does not “interfere” with employment), but it is not sustainable in the long term. At the same time, this marginal “ideal type” is associated with the breakdown of social coherence (not only within micro-relations) of the family which vanishes, including at the macro level. The values, which it aspires to, go against solidarity in general and solidarity towards families with children in particular. The difficulty of confronting this strategy lies in the fact that it is precisely the majority culture of the consumer society which gave birth to it.



### **3. The vision of family equality in the economic system**

G. Becker's family economics can be rejected as an essentially defective economic reductionism in family relations; this does not help us much, however, because the market has already long broken through the traditional ethical limits of the family. A second way is more promising: to take this logic of approach "at its word" and to include the argumentation, which arises from this approach, in the results. The economy knows the protection of competition in the market and knows the concept of countervailing power (John Galbraith). The previous analysis demonstrated the relative weakness of the institution of the family against the forces of the market and against the coercion of state power. O. Hampl (2008) speaks (especially as far as the status of families with children is concerned) of the unequal standing of the family and of the artificial deformation in the investment market involving the individual factors of economic development. This particularly involves "human capital" and the investments in it and the reproduction of the workforce which suffers from the inequality of its type. The child as a "normal product"? The child as an investment competing with the purchase of an automobile? That may be so. But if so, the correct question is: why does every businessperson (be it a physical or legal entity) have the option of writing off the costs for the purchase of an automobile from their tax base over 5 years? The "investment in a child" involves a horizon which is 4 or 5 times longer, i.e. it is therefore encumbered with a higher time discount and is, to be honest, a much "higher risk". It is absolutely logical to require the family as a "producer of children" to have the right to deduct the costs for the child from its tax base throughout the entire period of the investment. This is how we can summarise O. Hampl's argumentation and the proposals to "alleviate the inequalities" which still predominate.

Family policies are currently under the jurisdiction of EU member countries. European Commissioner, V. Špidla, has presented a timid attempt to designate a kind of common lower bar for the EU's family policy, but only in one sub-area of family policy and furthermore this bar is redundant for the Czech Republic. However, the problems of the member countries are essentially common, as is born out by the previous argumentation. This gives rise, therefore, to a more ambitious goal for the EU's family policy. The government of the Czech Republic has designated the family as one of the priorities within the framework of the Czech Presidency of the EU, as is shown by this conference. It is indicative that the Czech European Commissioner, who came from a social democratic background, sees the same priority in the family as the Czech Minister of Labour and Social Affairs who belongs to the right-wing of the political spectrum. That alone represents some chance for the discovery of a kind of

consensus in family policy and not only at a national level, but also at an international level. The following set of claims and principles from the analyses so far seems to me to be relevant for any such possible consensus:

**A/ Averting a demographic implosion is in the common interest of the nation states and of the EU as a whole.** I see just such a consensual declaration as the first and essential step towards averting the existing trends. The example of the development in France substantiates the fact that this is neither impossible nor unrealistic.

**B/ The experience (positive and negative) of the individual countries is valuable, but not always fully transferable.**

A group of OECD experts endeavoured to construct a type of model for optimal family policies which would “pick and choose” from the best policies of individual countries which had proved themselves. This kind of “transplantation” is problematic because of the different “agents of history” and the systems of values; moreover, individual policies have their own “externality” and side effects. Nevertheless, the use of the experience of others cannot be rejected a priori. It therefore seems indisputable, for example, that the Czech Republic should increase its share of GDP dedicated to family support, but not without consideration as to how and what to spend it on (see below). Similarly, it seems suitable to implement measures leading to the greater expansion of the possibilities of part-time jobs, flexible and sliding working hours and “working at home” for employed women (and men) caring for children. As in a traditional family, the man and woman (father and mother) form “complementary human assets”, but their complementary nature is not given by traditional roles, but is a matter of the creative search for the concrete, specific characteristics and potential of these two who should form “one” - and the family policy legislature should open up space for this as much as possible.

**C/ Developments in Europe have shown the apparent priority of “financial capital” over “human capital”,** of which the demographic implosion is merely a consequence. The common problem of the EU countries is therefore “balancing” this relationship. The former watchword of “private ownership in the service of the working many” (A. Rauscher) used in the German market economy at a time when it was booming could and should now be replaced with the slogan of “financial capital in the service of the family”. The vision of growth based on the permanently increasing indebtedness of families is at an end. It has been empirically proven that subjectively perceived happiness no longer correlates to the constant pressure for growth in the per capita GDP in the majority of the richer EU countries. On the other hand, involuntary and in particular long-term unemployment (especially in the youth

and older age categories) is a demonstrably and significantly “negative component of happiness” according to the “science of happiness”. The motivation for the fast return of mothers to employment must not be at odds with the knowledge of child developmental psychology. The balancing of the relationship between financial and human capital is part of the conversion of the culture of our civilisation which is in a clear crisis. The EU needs to develop common and coordinated efforts which set the ethical limits for advertising and marketing communication, especially that aimed at children and young people and which divides the family into “target groups”. Training in “media literacy” and “literacy in marketing communication” should become a permanent part of the education at all levels of school. Warnings against the risky indebtedness of households and training about the possible consequences and threats of seizure should also even be among the hot family policy topics in “adult education”. The “atmosphere of the casino” and the psychosis of getting rich quick in the “society of temptation” are extremely dangerous to the stability and future of the institution of the family. The first signs of the turnaround in the fight against money laundering and the coordination of efforts towards the suppression of the possibilities of tax avoidance in “tax havens” also have a close connection with pro-family policies.

#### **D/ Investing in turning around the demographic trends versus investments in pension funds**

The financial crisis has affected various financial institutions and tools to varying degrees as a crisis of trust on a global scale. Private pension funds are among those worst affected by this crisis of trust. This also generally applies to those countries with an advanced financial sector, but especially to developing and post-transitive countries, in those places where these institutions have not yet managed to put down roots. If it applies that the financial sector will be smaller in size after the end of the crisis and that it will be more subject to regulation on the part of the state and international organisations, then this will especially apply to the sub-sector of private pension funds. The connections between family and pension policies from the point of view of social cohesion and economic competitiveness have been part of the long-term prospects from the very beginning due to their very nature; now, however, the relative weight of importance has shifted back to family policies. To put it another way, the regular financing of pensions will once again be the subject of renewed interest for politicians, because private investments for old age in private pension funds have been too undermined by the crisis of trust.

**E/ The emancipation of human capital will be financially demanding for public finances.**

Compensating families with children for their expenditure may seem to be unfeasible to critics due to its fiscal demands. However, the “depreciation of human capital” is a fact (even though it does not show up in the “national accounts” or in macroeconomic statistics), it is measurable and the consequences arising from it can be relatively precisely forecasted. No socio-economic strategy can neglect the financing of human capital in the long-term perspective. Politicians (regardless of their ideological orientation) are under the pressure of the voter preferences and election cycles which are too short for the timeframe, within the framework of which the emancipation of human capital can be resolved. But politics must be more than the art of deferring today’s serious problems until they become much more serious problems in the long term. Ultimately, the existing priority of investing in financial capital is also not without its costs, including the costs to public finances. If politicians will have to justify the public costs for averting the financial crisis (in some countries this is in the area of several percent of GDP), they should also be able to come to terms with any eventual increase in expenditure on support for investments in human capital of, let’s say, 1-2% of GDP.

**F/ The equality of the family in the economic system is not merely a matter of money**

Professor Paine from Harvard argued several years ago for a necessary change in the values orientation of “American” business. The “value shift” which she called for is deeper than the currently relatively well-known concept of “corporate social responsibility”. We need “family friendly business” and not just business which takes the family into account (and even less business which is a parasite in the family). “Company paternalism” need not be a historical throwback and the “company as the wider family” is the only vision capable of leading to a change in the existing demographic trends in Europe. We need a “solidarity market” and “solidarity finance”.

Business is and must be part of every community. Equality for the family also requires “municipalities which are attentive to the family”. This does not only involve the infrastructure for the care of the child (the employer and the municipality can share in the provision of this type of facility). It also involves the infrastructure for relaxation and leisure time. Support for all civil, church and non-profit organisations involved in the welfare of children and young people is closely linked to this. The duties of a municipality that is attentive to the needs of the family also include, of course, supervising the reputation and good name of any such organisations. The civil society with the family and for the family is directly created for the creativity of everything which involves the future of our family. It is possible to find many positive examples, even now. A random example: bazaars of children’s

clothing and footwear constitute just such a “solidarity market”. The Association of “Families with Twins” creates a nationwide spontaneous network, whose amount of mutual trust financial institutions can only envy. A parish or congregational group of mothers with children can be a directly supporting system assisting families with children in their (as yet) unequal standing. The cooperation of families with UNICEF is an example of training for solidarity behaviour from childhood (“children to children”).

The family is a type of “stem cell” for society, from which each society creates social capital and the “reserve of trust”. On top of this, it is necessary for the school to cooperate with the family and for the family to cooperate with the school. The size of the family is not (only) quantitative, but also qualitative. The “knowledge society” is in phase delay behind what Radim Palouš described as the “time of upbringing” in 1989 when he was the first rector of Charles’ University. The “production of children” in greater numbers is not a solution to the European demographic implosion and especially not the “production of children” as a means of livelihood and parasitization on family benefits.

The proposal to alleviate the unequal standing of the family in the current economic system is relatively resistant to abuse due to its structure and is based on the thorough separation of policies endeavouring to achieve the equality of the family with children from policies dedicated towards alleviating the phenomenon of poverty (which is, of course, becoming ever more relevant). The structure of the compensation for the costs which arise for families with children in the area of tax is remarkable in that it understands the family as being a socially cohesive entity from the very beginning and thus goes even further – in a positive direction – than the “joint taxation of married couples” which we abandoned in the Czech Republic after a short and successful trial. The reasons (albeit disputed) for the abandonment of this joint taxation of married couples lay in the argument of maintaining the “flat tax” principle. O. Hampl’s structure is also already currently consistent with the “flat tax” system (the justification of which I am not debating here). The alleviation of the inequality of families with children in this way is also a way to correct the (existing) sub-optimal investment in human capital and represents hope for maintaining the family as an economically competitive institution. This involves a version of the tax system which is family friendly and at the same time also an example of an uncomplicated system which is simple precisely because its solution goes to the root of the matter. A European political elite willing to serve the common good is, of course, a necessary condition for ensuring that the family becomes a real and not just a declared priority.

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