



ISMO SÖDERLING  
ELINA LAITALAINEN

## Summary of Demographic Trends and Policy Implications Presented in the National Reports



Fifth Framework  
Programme

Work Package 4, Report D 14

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The Population Research Institute

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VÄESTÖLIITTO

The Family Federation of Finland



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Work Package 4, Report D 14

Prepared by Work Package leader 4, The Population Research Institute,  
Family Federation of Finland, April 2005

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## Preface

The Population Policy Acceptance Study (later DIALOG) is a joint research project of 15 countries. The cooperation was started in 2002 and the research project is funded by EU. The coordinator of the project is Professor Doctor Charlotte Höhn, Federal Institute for Population Research (Bundesinstitut für Bevölkerungsforschung, BiB).

The DIALOG-project will set up the infrastructure to improve methodologies for comparative research in view of data harmonisation, setting up of an international database based on the national Population Policy Acceptance Surveys of the participating countries, and comparative analyses.

The study is a comprehensive analysis of population related policies which builds on but also extends beyond the area of publicly funded family policies and addresses also within-family strategies. It addresses practices and aspirations of men and women regarding family life in ageing societies and the perception of life chances regarding paid work in an increasingly more competitive and demanding labour market. It takes into account both the viewpoint of citizens and policy actors regarding the management of population related changes, caring functions of families and mediating role of the welfare state.

The Work package 4 (later: WP4) 'Population Related Policies and General Attitudes' was carried out at Population Research Institute (Helsinki, Finland). The objective of the WP4 was the identification of between-country similarities and differences in terms of demographic dynamics, recent social policy reforms and attitudes of men and women regarding general social policies and demographic developments on European level.

This D14 report is summary report based on national country reports produced by each DIALOG partner.

This report is the outcome of a coordinated effort benefiting from cooperation of many persons. Ismo Söderling is the author of the actual report. Ms. Elina Laitalainen has prepared the material and information for the tables. She has also collected and edited material for Appendix 1. German colleagues at BiB have presented valuable comments on the content. Colleagues at the Population Research Institute have also provided their insights and comments for the report. The language has been checked by Ms. Liisa Kosonen. As a work package leader I wish to thank all partners and colleagues for the fruitful cooperation. I also wish to thank our international colleagues for the national reports and valuable comments.

Helsinki, March 23rd, 2005

Ismo Söderling  
Director  
The Population Research Institute (of Family Federation of Finland)



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## 1. Introduction

Europe has encountered enormous political and social changes since the late 1980s. First the political administration in the socialist countries collapsed, then civil war broke out in the former Yugoslavian area. All these social and political events led to radical and profound changes in Europe: mortality, especially in the former Soviet Union, deteriorated dramatically. In 1990 life expectancy among men in the former Soviet Union was 63.8 years and dropped to a low of 58.3 years in 1996. In the past few years there has been a slight rise, with life expectancy among men reaching 59.0 in 2003.

Similar changes were also characteristic of the other former socialist countries. For example, the life expectancy at birth among men in Poland was 66.5 years in 1988, 67.6 years in 1995, but 70.2 years in 2001. The social and economic instability that destroyed the previous service structures as well as uncertainty also caused a clear decline in fertility. For example, the Estonian fertility figure was as high as 2.05 in 1990 but dropped to 1.37 in 1995 (Poldma 2004). Similar or even deeper changes took place also in other former socialist countries.

The civil war in the former Yugoslavian area led to huge numbers of asylum seekers, with Germany a special destination for these refugees. The western countries also met several social and economic challenges – a period of low economic growth respectively deep economic depression caused unemployment in many western countries (for example in Finland, Germany, Spain and Denmark). Due to the economic decline, there were no social policy reforms taking place especially in the Scandinavian countries (see Anttonen and Sipilä 2004).

Traditionally Europe has been divided into three categories depending on their welfare state status. The perhaps most influential welfare state typology in recent times is Esping-Andersen's (1990) categorisation of three welfare regimes, a typology which modifies and modernises the tripartite division introduced by Titmuss (1974; see Ferrarini 2003).

Esping-Andersen uses a set of multidimensional indicators spanning causal factors, welfare state institutions and policy outcomes when arriving at a liberal, a social-democratic (Nordic) and a conservative type of regime. This typology has been widely used in comparative welfare state research, but has also been subject to criticism from different theoretical perspectives and has stimulated a large number of innovations in terms of welfare state typologies (Arts and Gelissen 2002).

Castles and Mitchell (1991) have criticised Esping-Andersen for his handling of means-tested welfare state programs. Korpi and Palme (1998) argued that by being based on indicators simultaneously reflecting causes, intervening variables as well as outcomes, Esping-Andersen's typology may be useful for descriptive purposes but is less useful for explanatory purposes. Also the lack of a gender perspective has been seen as a limitation of the model (see Hobson 1994; Sainsbury 1999).

This summary report is based on the 15 countries called DIALOG countries. Few would agree today with the statement that cross-country comparison is the only means by which we can explain sociological phenomena and social change. However, it cannot be denied that a comparative approach can give important insights into processes of institutional development and how institutions affect living conditions, actions and agency of individuals. The capability to identify and explain institutional diversity and change within different social settings as well as over time is perhaps the main strength of a comparative sociological approach, something that holds true equally for the sociological classics as for sociologists studying 'post-industrial' societies (see Esping-Andersen 2000; Ferrarini 2003).



The information in this paper is based on the country reports sent to the Family Federation of Finland by the end of July 2004 (with some additions by the end of September 2004). The country reports themselves are divided into three parts<sup>1</sup>:

1. Demographic trends in different countries
2. Social and population systems in participating countries
3. Survey results based on national inquiries

In the second part (Social and Population Policy System) especially social policy related to the family and ageing will be discussed. Also the complexity of low fertility and the significant proportion of single persons (30–44 years old) living with their parents will be studied. Various ways to reconcile work and family will also be examined.

In several DIALOG countries the employment rate among women is low; what methods can be employed to raise this figure? Or are all the DIALOG countries interested in raising the employment rate among women? What are the special characteristics of ageing societies? How have the different DIALOG countries tackled the challenges related to an ageing workforce? Particular attention is devoted various efforts made to prolong the careers of the aged.

The authors want to point out that the aim of this report is not to provide causalities or explanations for different demographic or social policy phenomena, instead we will be examining the characteristic features of these countries.

The main focus is to provide information from the DIALOG countries from the year when the PPA (Population Policy Acceptance) surveys was made as a part of the DIALOG Project. The PPA years are presented in Table 1 (below). If it is not possible to obtain information about the PPA year, the information will be presented for the closest calendar year. The statistical information from Belgium represents data only from Flanders. If there is no statistical information concerning a country, it has been omitted from the table.

The former socialist countries are called ‘transition countries’ in this report. Transition, in this context, specifically means economic and social change.

**Table 1. Geonomenclature and PPA2 survey collection time for the DIALOG countries.**

| <b>Country</b>           | <b>PPA survey collection time</b> | <b>Country</b>          | <b>PPA survey collection time</b> |
|--------------------------|-----------------------------------|-------------------------|-----------------------------------|
| 1. Belgium (Flan.) (BE2) | Sep 2003                          | 9. The Netherlands (NL) | May – Jun 2000                    |
| 2. Czech Republic (CZ)   | Oct – Nov 2001                    | 10. Austria (AT)        | Jun – Sep 2001                    |
| 3. Germany (DE)          | May 2003                          | 11. Poland (PL)         | Oct – Nov 2001                    |
| 4. Estonia (EE)          | Sep 2003                          | 12. Romania (RO)        | Apr 2001                          |
| 5. Italy (IT)            | Jan – Mar 2002                    | 13. Switzerland (CH)    | Not collected.                    |
| 6. Cyprus (CY)           | Oct -Nov 2001                     | 14. Slovenia (SL)       | Jun 2000                          |
| 7. Lithuania (LT)        | Sep 2001                          | 15. Finland             | Feb – Apr 2002                    |
| 8. Hungary (HU)          | Nov 2000 – Jan 2001               |                         |                                   |

<sup>1</sup>The third part (survey results) are not included in this D14 report – survey results will be a crucial part of the D15 report to be contributed later (by Osmo Kontula and Anneli Miettinen)

## 2. Demographic trends - a brief overview

This paper only addresses the main demographic events due to the diversified statistical material concerning this field: for example the report published by the Council of Europe ('Recent Demographic Developments in Europe') provides exact and detailed information about the European demographic situation.

The DIALOG project does not include a survey on migration. It is worth mentioning, however, that migration is a quite important element in population growth in Europe. The population was increasing (= positive growth rate) in nine of the 14 countries. In six out of these nine countries the majority of the growth was based on positive net migration (see Table 2, below). The only exceptions were Cyprus, the Netherlands and Finland, where population growth was based more on natural increase than net migration.

**Table 2. Population development in DIALOG countries in 2001.**

| COUNTRY                       | Population development |                             |                          |
|-------------------------------|------------------------|-----------------------------|--------------------------|
|                               | Growth rate, %         | Growth due to:              |                          |
|                               |                        | Rate of natural increase, % | Rate of net migration, % |
| Belgium/Flanders <sup>a</sup> | 0.24                   | 0.11                        | 0.13                     |
| Czech Republic                | 0.03                   | -0.17                       | 0.20                     |
| Germany                       | 0.21                   | -0.11                       | 0.32                     |
| Estonia                       | -0.42                  | -0.43                       | 0.01                     |
| Italy <sup>a</sup>            | 0.28                   | -0.03                       | 0.31                     |
| Cyprus                        | 0.84                   | 0.43                        | 0.41                     |
| Lithuania                     | -0.33                  | -0.25                       | -0.08                    |
| Hungary                       | -0.25                  | -0.34                       | 0.09                     |
| Netherlands                   | 0.74                   | 0.39                        | 0.34                     |
| Austria                       | 0.22                   | 0.01                        | 0.21                     |
| Poland                        | -0.03                  | 0.01                        | -0.04                    |
| Romania <sup>a</sup>          | -0.11                  | -0.09                       | -0.02                    |
| Switzerland                   | 0.75                   | 0.17                        | 0.58                     |
| Slovenia                      | 0.20                   | -0.05                       | 0.25                     |
| Finland                       | 0.27                   | 0.15                        | 0,12                     |

<sup>a</sup> Information from 2000; Source: Council of Europe, 2002

The population declined in five DIALOG countries – all these were transition countries (Estonia, Lithuania, Hungary, Poland and Romania). Among the former socialist countries, only the Czech Republic and Slovenia had a positive growth rate, based on positive net migration.

The basic demographic trends in different western countries are, for example, reflected in Belgium's (Flanders) national report:

*During the 1990s Belgium's population was growing steadily but slowly. The low fertility rate and the continuous rise of life expectancy have contributed to the ageing of the country's population.*

*During the period 1991-2002 life expectancy at birth shows a continuous rise, for both sexes, but the gap between the sexes still prevails (males: 72.9 years in 1991 >> 75.1 years in 2002).*

*...In the last ten years (1992-2002) the number of singles increased by 16.5 percent. The nuclear family (married parents living with children) is still the most common family type, but other family forms have become more and more common along with increasing cohabitation and single-parenthood.*

The Czech Republic's national report stresses the demographic changes, which are now familiar in transition countries:

*The share of people living in a family (married couple with or without children) has declined throughout the 1990s from 62 % in 1991 to 55 % in 2001. This was caused firstly by an increase in one-person households and secondly by an increase in single parent families.*

*...[The] high proportion of single parent families is due to increased fertility of unmarried women and a high divorce rate. Significant increase was also registered for households of cohabiting couples.*

*During the 1990s the decrease in the mortality level in the Czech Republic was among the highest in Europe. Life expectancy at birth increased by 4.6 years for men (75.4 > 78.5). A significant change was registered in the infant mortality rate. It decreased from 11 % in 1990 to 4 % in 2001.*

The western lifestyle (more cohabiting couples) and better health care (lower infant mortality) have found their way into transition countries. However, the change has not occurred evenly among the transition countries; for example, infant mortality figures in 2001 (Council of Europe 2002) are still exceptionally high in Romania (15.1 per 1,000 live births) and Estonia (8.8). Besides the Czech Republic, also Slovenia indicated very low figures in infant mortality (4.3).

What has been discussed less is the high proportion of middle-aged single children (30–44 years old) still living with their parents. The figure is clearly higher among men.

**Table 3. Single men and women (aged 30–44) living with their parents (% of all households of men and women aged 30–44 years) and TFR (in the year of the PPA survey).**

| Country          | Men living with their parents |     |      |     |          |      | Total Fertility Rate |
|------------------|-------------------------------|-----|------|-----|----------|------|----------------------|
|                  | 1990                          |     | 1995 |     | PPA year |      |                      |
|                  | M                             | W   | M    | W   | M        | W    |                      |
| Belgium/Flanders | 8.3                           | 4.0 | 9.3  | 4.3 | 9.4      | 4.3  | 1.66                 |
| Czech Republic   | ...                           | 3.5 | ...  | ... | ...      | 4.4  | 1.14                 |
| Germany          | 6.0                           | 2.0 | 7.0  | 2.0 | 6.0      | 2.0  | 1.42                 |
| Italy            | 10.6                          | 5.7 | ...  | ... | 20.3     | 10.4 | 1.24                 |
| Cyprus           | ...                           | ... | ...  | ... | 9.0      | 4.4  | 1.57                 |
| Lithuania        | ...                           | ... | 2.6  | 2.2 | 11.4     | 3.9  | 1.30                 |
| Netherlands      | ...                           | ... | 4.7  | 1.4 | 4.7      | 1.4  | 1.71                 |
| Austria          | 8.8                           | 2.3 | 9.0  | 3.3 | 10.5     | 3.2  | 1.31                 |
| Switzerland      | 0.3                           | 0.1 | ...  | ... | 0.8      | 0.4  | 1.41                 |
| Slovenia         | ...                           | ... | ...  | ... | 20.2     | 6.3  | 1.24                 |
| Finland          | 7.9                           | 1.9 | 8.2  | 1.8 | 6.9      | 1.8  | 1.73                 |

As shown in Table 3, the TFR is exceptionally low in countries where the proportion of single men living with their parents is high (Italy, Lithuania, Slovenia and Austria). However, it is worth of mention that connection between TFR and living at home needs more information based on demographic research. Table 3 does not show causality between these two factors.

## 2.1. Fertility

In this section the aim is to look at the various features of fertility as well as policy implications.

As mentioned in the Council of Europe report, ‘Recent Demographic Development in Europe’, in all European countries except Turkey, the fertility rate is currently below replacement level. There is also a growing tendency to delay childbirth and a decrease in higher order birth rates (three or more children), while having one or two births is becoming more common (Höhn 2002, 9).

The typical ‘result’ of the lower TFR-figures was mentioned in the Austrian country report:

*“Austria had a rather low level of period fertility already in 1978: 1.6 children per woman. With local peaks in between, the TFR fell further to 1.43 in 1987 and to 1.33 in 2001. The proportion of non-marital births doubled from 1960s up to 1990 (23.6 percent and rose further to 33.1 percent in 2001). The mean age of women at first birth was once about 23 years, in 1990 already 25.0 years and in 2001 26.5. It has been estimated that for the generations born in or near 1970, lifetime fertility will be around 1.5 and that one quarter of women remain childless” (Gisser 2004).*

**Table 4. Family formation figures: ‘Ever married’ women, completed fertility rate and childlessness by cohorts in different DIALOG countries (cohorts born around 1935 and 1965).**

| Country        | ‘Ever married’ women |      | Completed fertility rate, cohort 1965 | Childlessness (%) by female birth cohorts |                  |
|----------------|----------------------|------|---------------------------------------|---|------------------|
|                | Cohorts              |      |                                       | Cohorts                                   |                  |
|                | 1935                 | 1965 |                                       | 1935                                      | 1965             |
| Belgium (Fl.)  | ...                  | 75   | 1.86                                  | ...                                       | ...              |
| Czech Republic | ...                  | ...  | 1.93                                  | 6.6                                       | 8.9              |
| Germany        | 93                   | 77   | 1.53                                  | 7.1 (W)<br>8.8 (E)                        | 27.6<br>(only W) |
| Estonia        | ...                  | ...  | 1.87                                  | ...                                       | ...              |
| Italy          | 91                   | 85   | 1.49                                  | 12.0                                      | ...              |
| Lithuania      | 94                   | 90   | 1.60                                  | 10.9                                      | 8.9              |
| Hungary        | 97                   | 90   | 1.85                                  | 9.0                                       | 10.5             |
| Netherlands    | 95                   | 78   | 1.77                                  | 12.0                                      | 19.0             |
| Austria        | 89                   | 76   | 1.64                                  | 12.1                                      | 22.4             |
| Poland         | 96                   | 91   | 2.00                                  | ...                                       | ...              |
| Romania        | ...                  | ...  | 1.83                                  | ...                                       | ...              |
| Switzerland    | 86                   | 87   | 1.65                                  | 18.9                                      | 27.9             |
| Slovenia       | 92                   | 73   | 1.87                                  | 12.0                                      | 10.0             |
| Finland        | 89                   | 72   | 1.53                                  | 14.7                                      | 19.1             |

As seen in Table 4, the figure of ‘ever-married’ declined from the older to the younger cohort. While this indicator was close to 90 percent or higher among the 1935 cohort it shows a large variation between DIALOG countries for the 1965 cohort.

It is not justified to draw any conclusions as to the level of fertility, because cohabitation is more common and an accepted way of life also in some transition countries. Hence, the Finnish and the Slovenian ‘ever-married’ figure 72 – 73 % (of cohort 1965) are the lowest, but at the same time the Finnish cohort fertility rate 1965 is one of the lowest, and the Slovenian one of the highest.

On the other hand, childlessness is a growing phenomenon in western cultures. An exceptionally high rate of childlessness can be seen in Germany (especially in its western part), Switzerland and Austria. The Czech Republic, Lithuania, Hungary and Slovenia form a group that differs from the other countries, because in these countries childlessness has remained at a low level or even declined.

## 2.2. Population policy

The following is a look into the implementation of population policy in different DIALOG countries (Table 5).

As seen in Table 5, governmental activity in population policy is very limited – the government’s attitude seems passive. The government attitudes towards population policy allow certain conclusions:

1. In many transition countries the governments’ current population policy attitude seems to be passive, simply more restrictive. In some of these countries pro-natal policies had been implemented and fostered prior to transition, and the contradiction between past and present is clear. Slovenia is an exception in that it has preserved family benefits and facilities inherited from the socialist period (this also happened to some degree in Hungary). This might be the reason for Slovenia’s better demographic indicators (low infant mortality rate, high life expectancy at birth) – but not preventing a very low TFR).
2. In some European countries the government’s engagement in a population policy proper seems to be limited. On the other hand, governments have been active in implementing different indirect family policy measures which might raise fertility.

**Table 5. Summary of population policy and its content in DIALOG countries.**

| Country                   | Population Policy   | National efforts to raise fertility   |
|---------------------------|---|---|
| <b>Belgium (Flanders)</b> | No explicit population policy to raise fertility  | Efforts to combine work and family  |
| <b>Czech Republic</b>     | Pro-natal population policy before 1990. In 1990-98, no government interest. Since 1998, government’s official view has changed | Since 1998:<br>-Increasing of birth grants<br>-Increasing opportunities for parental leave  |
| <b>Germany</b>            | No explicit population policy, but families and marriage have always been a focus of the political agenda                       | The German government considers fertility too low, but no explicit policies are aimed at raising it.  |
| <b>Estonia</b>            | No explicit population policy, but the government’s view is to increase fertility   |   |
| <b>Italy</b>              | In 2001, the government regarded population growth as satisfactory, but saw the fertility level as too low                      | In 1990, several improvements were made: 1. Means-tested maternity benefits for stay-at-home mothers, 2. revision of tax credits, 3. family allowance for families having 3+ children, 4. increase of certain other allowances. Conclusion: support still limited and means-tested (only for poor families) |

| Country            | Population Policy  | National efforts to raise fertility  |
|--------------------|--|--|
| <b>Cyprus</b>      | No explicit population policy. The government pays a lot of attention to family policy and the pension system  | Child allowance program was implemented for all families in 2003   |
| <b>Lithuania</b>   | No explicit population policy, even though the government regards population decline as a negative phenomenon  | No explicit policies have been presented to raise fertility, but family allowances have been increased   |
| <b>Hungary</b>     | Generous pro-natal family policy 1965-1990. In 1994, a government decision (renewed in 1998) declared that raising fertility (and reducing mortality) are the objectives of population policy  | Reintroduction of two basic family benefits: child care fee (GYED) and family tax credit.  |
| <b>Netherlands</b> | No explicit population policy, the Dutch government does not wish to interfere in major demographic trends with policy measures. The government regards population growth and the fertility level as satisfactory                      | No direct efforts on behalf of population policy, but instead, the (indirect) aim of population policy is to encourage women and men to reconcile work and family life: 1. Secure welfare for families, 2. Support families to enable them to have the intended number of children |
| <b>Austria</b>     | No explicit population policy, but the government considers fertility too low. Goal: to raise fertility, but not free immigration.   | Measures: 1. Increase family cash benefits, 2. Help families to reconcile work and family  |
| <b>Poland</b>      | No explicit population policy, but some family policy reforms have been made. However, the new programs remain mostly at the level of declarations.  | In 1997, the left-wing government aimed to rationalise family policy benefits. In 1999, the right-wing government put more emphasis on tax-related measures to support large families.   |
| <b>Romania</b>     | No explicit population or family policy. Before the transition era, efforts tended toward pro-natal policy   |  |
| <b>Switzerland</b> | No explicit policy on population growth, age-structure or fertility. Since 1995, low fertility, ageing, the size of the working-age population, number of immigrants and the integration of foreigners are matters of major concern.   | No explicit policies. Attempts to improve fiscal policy, child care arrangements and maternity leave should indirectly influence fertility.  |
| <b>Slovenia</b>    | No clear reforms, but government is aware of low fertility and the problems associated with it.  | Unlike other transition countries, Slovenia has managed to preserve the family benefits founded in the socialist period (infant mortality rate improved clearly).  |
| <b>Finland</b>     | There is no explicit population policy in Finland at the moment. Government pays a lot of attention to family policy. Pension policy is also under discussion and Government aim is to increase the average retirement age in Finland. | No explicit policies. Focus: welfare of the families and to strengthen the Nordic welfare model.   |



### 3. Family Policy

This chapter has been divided into four parts. Family leaves are discussed first (3.1.), then the focus is on day care (3.2.), family income transfers (3.3.), and finally on how to reconcile family and work (3.4.). This chapter, also, presents the policies put forth in the national reports.

#### 3.1. Family leaves

##### 3.1.1. Maternity leave

The length of maternity leaves among *employed mothers* varies among DIALOG countries between 14 (Germany) and 26 weeks (Poland). The average length was 20.2 weeks, not including Switzerland. Some countries reported that the length was longer in case of multiple births. It should be noted that there was no real maternity leave at that time in Switzerland.

In case of *employed mothers*, the coverage of the maternity allowance varies between countries from 25 % up to 100 % of monthly earnings. For example, in Lithuania, ‘during the period of pregnancy and maternity leave the allowance is paid at the full amount (100 %) of salary’. In Belgium (Flanders), the size of the allowance is related to the length of the leave: during the first 30 days the maternity allowance is 82 % of the wage (with no ceiling) – then 75 % or 60 % of wages up to a ceiling respectively.

Six countries reported about the allowance practice in cases where the mother is not in the labour market (not employed). German women without an employment contract (insured as a family member via their husband) receive a maternity grant, which is 77 € and benefits in kind (such as medical care and midwife care, domestic care, medicine and appliances etc.). In the Netherlands unemployed workers receive 100 % of earnings with the minimum wage (1,066 € a month) as a maximum. Irrespective of employment status, the minimum daily allowance in Finland is 11.45 € per weekday. This is roughly 50 % of the minimum public unemployment benefit.

##### 3.1.2. Parental leave and parental allowance

In 14 out of 15 countries there was a parental leave as a social policy benefit. The only exception was again Switzerland, where no parental leave or parental allowance system exists.

The parental leave was organised in different ways in DIALOG countries. The duration was related to the child’s age. For example, in Germany, ‘the parental leave is possible for every employed mother and/or father with one or more children under 3 years. Entitlement to parental leave in Germany begins immediately after maternity leave’. The three-year age limit seems to be a common arrangement among DIALOG countries.

In some countries the organising of parental leave is very flexible from the families’ point of view. In Italy and the Netherlands parents can reconcile work and parental leave flexibly. However, in these countries the parental leave is unpaid (the Netherlands) or the coverage is rather low.

Finland has a short parental leave compared with the other DIALOG countries: the child is about 10½ months old when the parental leave period ends. However, after the parental leave either the mother or the father with a child under three years of age can take a full-time child care leave with full employment security. No salary will be paid, but a full child home care allowance will be provided by the government. After this period part-time child care leave can be chosen. This type of arrangement is also available in Austria.



In nine out of 15 DIALOG countries paternity (fathers') leave was implemented. The duration varied from 10 days up to one month. In some countries special efforts were made to entice fathers to take paternity leave: for example, in Italy, the father has a one-month bonus if he takes 3-6 months' parental leave.

### **3.2. Day care (crèches, kindergarten)**

The majority of the countries provided only kindergarten care for children aged 3-5 years. For children under three years of age child care is mainly provided by the families themselves, further consolidated by the regulations of parental leave (which can be taken for a maximum of three years). In some countries (e.g. in Italy) priority in municipal crèches is given to certain groups (low-income families, disabled children etc.).

In the Netherlands there are three types of child care: formal (paid) child care, informal paid child care and informal unpaid child care. It has been estimated that informal paid child care is 25 % greater than the two other kind. It is interesting to find that employers also finance (together with the government and the parents) part of the day care costs.

In Finland and Austria home care is an evident part of the care system: in Austria day care mothers (child minders) are in most cases employed by welfare organisations, with some people working on a freelance basis. The 'corporate day care mothers/fathers' represent a new service in Austria: this possibility is particularly interesting for smaller firms subject to seasonal fluctuations (e.g. tourism) and for smaller companies where the establishment of a company-owned kindergarten would be too expensive.

In Finland all parents have unconditional (subjective) entitlement to day care for their children under school age (7 years). In Finland parents can choose between municipal day care (fee is income-related), municipal family day care (also income-related) or private day care. A private day care allowance is paid for a private carer. If the parent cares for the child at home, a child domestic care allowance will be paid (the full allowance is 252 €/month for one child under three years of age, an additional payment of 84 € and 50 € if the siblings are under school age).

A clear deterioration in the day care situation has occurred in some of the transition countries in both the supply and quality of day care services. During the socialist period child care was relatively well developed. After 1989, in Poland, for example, both the state and firms reduced their provision of these services: the number of places in the public institutions has dropped sharply in the 1990s. The decrease in Poland was particularly strong in the case of nurseries, and particularly in the Czech Republic nurseries have ceased to exist. However, the latest figures show that the percentage of children attending kindergartens has risen in spite of the still declining public interest.

### **3.3. Income transfers for families**

*A maternity grant* means mainly a lump sum provided to mothers as a birth grant. In some countries the amount depends on the child's rank in the family (Belgium/ Flanders), in others it is a fixed sum (e.g. Germany, Finland, Italy). The amount in these countries is about 100-150 €. Italy has a somewhat pro-natal aim (provided since 2004): a maternity grant of 1,000 € is provided to mothers delivering/adopting a child of second or higher order.

In Finland mothers can choose between a maternity package containing child care items (clothes, child care equipment, information packet etc.) and a cash benefit of 140 €. The value of the package is much bigger than 140 € and mothers prefer it to cash.

Three countries reported that maternity grants were not given in their countries (the Netherlands, Austria and Poland).

*A child allowance* (family allowance) is paid in all DIALOG countries. The age of 18 was the most common age limit for the benefit. In Lithuania the benefit was paid only for each child between 1 and 3 years of age.

The allowance is income tested in most countries – in some countries the child allowance was targeted as an income support for large families (as in Cyprus) or poor families (as in Hungary, Switzerland and Romania). If the child is a student and still dependent, the allowance was paid up to the age of 25 (Belgium/Flanders) or 26 (the Czech Republic). In most countries the allowance is modified/increased by the rank of the child – Cyprus was a clear exception, because a flat allowance of 53 €/month was paid for each eligible child.

### 3.4. Reconciling work and family

Part-time work has traditionally been a popular way to combine family life and work in some western countries. Especially among Dutch women (20–39 years), part-time work seems to be preferred (Table 6, below). In nearly all countries, the figure for women is many times that of men.

**Table 6. Part-time work, females 20–39 years, in 1990, 1995, PPA year.**

| Country                 | Part-time employment rates |              |                |              |                |              |
|-------------------------|----------------------------|--------------|----------------|--------------|----------------|--------------|
|                         | 1990                       |              | 1995           |              | PPA year       |              |
|                         | Females, 20–39             | Males, 20–39 | Females, 20–39 | Males, 20–39 | Females, 20–39 | Males, 20–39 |
| <b>Belgium/Flanders</b> | 23.3                       | 1.3          | 26.0           | 2.2          | 31.1           | 3.8          |
| <b>Czech Rep.</b>       | ...                        | ...          | 10.8           | 1.0          | 7.7            | 0.9          |
| <b>Germany</b>          | 20.0                       | 2.0          | 22.0           | 2.0          | 29.0           | 3.0          |
| <b>Estonia</b>          | 4.2                        | 1.3          | 6.5            | 5.2          | 8.5            | 5.4          |
| <b>Cyprus</b>           | ...                        | ...          | ...            | ...          | 6.6            | 3.5          |
| <b>The Netherlands</b>  | 43.0                       | 9.8          | 46.1           | 9.4          | 62.8           | 15.0         |
| <b>Austria</b>          | 17.1                       | ...          | 22.2           | 2.2          | 30.1           | 3.2          |
| <b>Poland</b>           | 9.3                        | 4.1          | 9.9            | 4.1          | 10.0           | 5.3          |
| <b>Switzerland</b>      | 49.1                       | 7.8          | 52.9           | 8.1          | 55.3           | 10.3         |
| <b>Slovenia</b>         | ...                        | ...          | (4.2)          | (3.7)        | 6.0            | (2.7)        |
| <b>Finland</b>          | 8.8                        | 2.3          | 15.4           | 7.3          | 18.8           | 7.2          |

Next, some practical examples of reforms supporting the reconciliation of work and family life will be presented (see Table 7). This is not at all a complete list. Only the newest and most interesting reforms are included.

The following conclusions can be made on the reconciliation of work and family (see Tables 6 and 7):

1. The part time employment rate among women is low in transition countries (table 6)
2. As mentioned in the Polish report, reconciliation of work and family life still remains a ‘women’s issue’ (see also reforms made in the Czech Republic). Of course, in some countries (Finland, for example), reforms have been made to support men’s role in staying at home when their children are young. But these efforts have been unsuccessful in many cases (Table 7).
3. The Western and Northern European countries were very different in regard to reforms: Italy, for example, displayed no great governmental ambition to support reconciliation of work and family life. The Netherlands and Finland were different in this regard.
4. Attitudes towards employment also divided the countries in an interesting way: in many Western European countries, new regulations to broaden the concept of ‘atypical’ work were seen as essential and useful. In contrast, in Finland and in some transition countries, ‘atypical’ work was seen as a negative alternative (in Finland) or as an unnecessary reform (in Poland, for example).

**Table 7. Reconciliation of work and family life-reforms presented in the country reports.**

|                               | <b>Active on this field</b>  |
|-------------------------------|--|
| <b>Belgium<br/>(Flanders)</b> | <ul style="list-style-type: none"> <li>- Time credit system (2002): interruption of work or reduction of working time for a certain period</li> <li>- Three parental leave programs</li> <li>-Law of August 1998: every employee has a right to an interruption of a job during max. 12 months (min. one month) or a reduction of working time (with a minimum of 20 %), to take care of an extremely ill family member</li> </ul>   |
| <b>Czech Re-<br/>public</b>   | <ul style="list-style-type: none"> <li>- In the 2001 reform, the right for fathers to take parental leave</li> <li>- Access to child care as a subjective right for children aged 5</li> <li>- Shorter or otherwise amended working hours for pregnant women or women looking after children if the women so require.</li> <li>- Employers obliged to allow shorter or otherwise amended working hours for pregnant women or women looking after children if the women so require</li> </ul>   |
| <b>Germany</b>                | <ul style="list-style-type: none"> <li>- The possibility to work part time is designed to encourage women to re-enter the labour market</li> <li>- Law on part-time and temporary jobs (2001): forcing employers to accept, under certain conditions, requests for part-time work</li> <li>- Simplifying the regulations for atypical work is the general target</li> <li>- Mini-jobs: up to 325 € without taxes or other deductions have to be paid (only 15 hrs a week). A similar reform was passed in Austria, where it was a success</li> </ul>   |
| <b>Estonia</b>                | <ul style="list-style-type: none"> <li>- Paid maternity leave for one year.</li> <li>- Parents entitled to additional days of vacation added to annual vacation depending on children’s age and number</li> </ul>  |
| <b>Italy</b>                  | <ul style="list-style-type: none"> <li>- The ‘part-time’ law (2000) was introduced with the target of increasing the participation of women, youth and the elderly in the labour market. Several types of maternity and paternal leaves</li> <li>-There is a marked difference between the availability of child care for small children and children between 3-5 years of age: The crèches are quite expensive, but places and opening hours are very limited. On the other hand, more than 90 % of children between 3-5 years attend kindergarten which are highly subsidised and parents have to pay only for the cost of meals.</li> <li>- Collective agreements on combining work and family have been signed between local trade unions</li> </ul> |

|                    | <b>Active on this field</b>   |
|--------------------|---|
| <b>Cyprus</b>      | After maternity leave, mothers are allowed to start their daily work one hour later or to finish their job one hour earlier (for 6 months after maternity leave)  |
| <b>Hungary</b>     | - Free kindergarten and crèches (except meals). Several types of child care leaves  |
| <b>Lithuania</b>   | -Equality in employment opportunities is one of the objectives of the Government's program.<br>-Working parents may take unpaid leave to care for their children. Duration of additional vacation days depends on children's age and parity.<br>-Parental leave may be used all at once or in parts (mother/father)<br>-Working parents may take unpaid leave to care for their children.   |
| <b>Netherlands</b> | - Several 'conventional' reforms and benefits<br>- Unpaid part-time parental leave: it has been flexible since 2002, giving the parents the right to use it in three periods<br>-Leave-Saving Act: employees can save up to 10 % of their gross annual income to use later when taking unpaid leave.<br>-Flexible use of holiday entitlements: employees have the opportunity to use their holiday entitlements without loss over a period of 5 years with the possibility to build up extended paid leave periods at a later stage.<br>- The Career Breaks Act: an allowance for employees who agree with their employer to take a long-term leave because of care responsibilities or education<br>- Long-term carers' leave: for people assisting a dying family member<br>- After having worked for one year in an organisation, employees have a legal right to change their contract and to work longer/shorter hours per week, as long as it cannot be shown to cause a problem for the business |
| <b>Austria</b>     | - One aim is that women should make up at least 40% of the workforce (1993)<br>- A new parental leave allowance regulation (2002) intended to encourage men to take parental leave<br>- A new child-care service of interest to smaller firms without a kindergarten<br>- Financial support for unemployed persons for buying external child care   |
| <b>Poland</b>      | - Several reforms in the 1990s: men became entitled to take parental and <b>child care</b> leave (however: reconciliation of work and family remains a women's issue)<br>- In the 1990s institutional child care was radically reduced. This worsens possibilities of reconciling work and family   |
| <b>Slovenia</b>    | -One year of maternity and parental leave with full wage compensation.<br>- The existing child care facilities almost fully meet the demand for pre-school child care. Public child care is highly subsidised.<br>-The Slovenian rapporteur's comment: 'The regulations with respect to part-time employment and retirement rights are rigid and do not support either the employers or the employees in making such arrangements. This is a serious obstacle for the use of part-time employment as a tool in general'.  |
| <b>Finland</b>     | - Maternity leave for 105 days; full/part-time parental leave for 158 weekdays; full/part-time child care leave for children up to 3 years of age<br>- A subjective right to day care (even if the parents are at home)   |
|                    | <b>Considered as passive in this field</b>  |
| <b>Romania</b>     | - Mothers are not encouraged to count on private or public child care services. The child care system offers few possibilities for parents to combine work and family.<br>- Temporary child sickness leave: it is given for a period of 14 days per year with an extension in case of serious illness and disability  |
| <b>Switzerland</b> | No interventions presented in the national report   |

As a summary the following short quotation from the Dutch WP4-report may illustrate the western attitude towards family policy reforms (Esveldt and Fokkema 2004, 12):

*“In the Netherlands... the family is referred [to] in the policies of several ministries. [The] general aim of the government is to create the optimal conditions for the functioning of families. Apart from giving support to families who do not function well, the Dutch family policy aims to ensure that people can have the number of children they wish to have (by applying a favourable policy towards families and reconciliation of work and care). Family policy also aims at an equal division of work and care for the children between partners (irrespective of the living arrangement), an increasing labour force participation of women and economic independence of women.”*

## 4. Ageing as a resource and a demographic challenge

The coming demographic changes will in fact be quite dramatic in Europe: the proportion of people over 60 years old is expected to grow by 50 % over the next 30 years. At the same time young people (up to 19 years old) will decrease by almost 11 % and those of working age (between 20–59 years old) will decrease by 5,6 %.

Demographic changes currently cause governments to reconsider new population policies, because practically all of the European countries (as well as Japan and a majority of other developed countries) will, over the next 50 years, face a reduction in the size and a change in the structure of their population. This development can be explained by two factors: 1) low fertility rates, which are well below the replacement level, and 2) a rising average life expectancy, largely the result of medical advances and a better standard of living.

*'For the past 15 years or so, in several European countries, we have seen a higher percentage of people over the age of 65 compared to children under 15. This is a historic phenomenon because it's the first time ever that there have been more old people than children. If we want to maintain the same ratio in 2050 as we have today, people will have to work until they are 74 in France, 76 in Germany 76.5 in Italy and 73.1 in the US.'* (Chamie 2001, see Equeter 2002)

Also, the oldest old-age groups (80+) will be of great interest: ageing also brings a radical increase in the need for care. The oldest among the elderly will be the fastest growing segment of the population by 2050. Although the proportion of the oldest old is still low (about 4 % in the EU), in 2050, 21 countries or areas are projected to have at least 10 % of their population made up of those aged 80 years or over. Among DIALOG countries, these are Austria, Belgium, Finland, Germany, Italy, Slovenia and Switzerland. Although the proportion of people who survive past their 100th birthday is small, their number is not negligible. In 2000 there were an estimated 167,000 centenarians in the world; by 2050 they are projected to number 3.3 million. Japan will have the highest proportion of centenarians in 2050 (nearly 1 % of its population). (UN: World Population Prospect, 2002 revision).

The discussion on the ageing population culminates in the subject of 'work and ageing'. Obviously the ageing of the working population will be one of the dominant factors in European labour force conditions. The pessimists regard this as a demographic burden. It could, however, also be seen as a new and strong driving force for shaping a new attitude in the never-ending battle between productivity and working conditions.

The oldest old-age group was largest in Italy, where 4.1 % of the population belonged to this group in 2001. Germany, Belgium, Austria and the Netherlands all had a corresponding figure of over 3 % (Table 8). Finland was clearly last: the figure is based on a low life expectancy and high fertility rate (in the DIALOG context). The Finnish situation is changing rapidly as seen in Table 9, where the Finnish figure of 65 + is at an average level.

**Table 8. The proportion of 65+ and 80+ age groups in the total population, DIALOG countries, %.**

| Country                 | 65+ % of the total population |      |          | 80+ % of the total population |      |          |
|-------------------------|-------------------------------|------|----------|-------------------------------|------|----------|
|                         | 1990                          | 1995 | PPA year | 1990                          | 1995 | PPA year |
| <b>Belgium/Flanders</b> | 15.0                          | 15.8 | 16.9     | 3.5                           | 3.8  | 3.8      |
| <b>Czech Republic</b>   | 12.6                          | 13.1 | 13.8     | 2.5                           | 2.8  | 2.4      |
| <b>Germany</b>          | 14.9                          | 15.4 | 17.1     | 3.7                           | 4.1  | 3.9      |
| <b>Estonia</b>          | 11.6                          | 13.3 | 15.9     | 2.5                           | 2.8  | 2.8      |
| <b>Italy</b>            | 14.5                          | 16.4 | 18.2     | 3.1                           | 4.0  | 4.1      |
| <b>Cyprus</b>           | 11.0                          | 11.1 | 11.7     | 2.5                           | 2.6  | 2.6      |
| <b>Lithuania</b>        | 10.8                          | 12.2 | 14.1     | 2.7                           | 2.6  | 2.4      |
| <b>Hungary</b>          | 13.2                          | 14   | 14.6     | 2.5                           | 2.9  | 2.4      |
| <b>The Netherlands</b>  | 12.8                          | 13.2 | 13.7     | 2.9                           | 3.1  | 3.3      |
| <b>Austria</b>          | 14.9                          | 15.1 | 15.4     | 3.5                           | 3.9  | 3.6      |
| <b>Poland</b>           | 10.2                          | 11.2 | 12.5     | 2.0                           | 2.1  | 2.1      |
| <b>Romania</b>          | 11.1                          | 12   | 14.1     | 2.0                           | 2.1  | 2.0      |
| <b>Switzerland</b>      | 15.0                          | 15.2 | 15.6     | 4.0                           | 4.2  | 4.2      |
| <b>Slovenia</b>         | 10.7                          | 12.3 | 14.0     | 2.2                           | 2.6  | 2.3      |
| <b>Finland</b>          | 13.5                          | 14.3 | 15.3     | 1.0                           | 1.3  | 1.5      |

#### 4.1. Ageing and work

The employment rate of the elderly varies remarkably among the DIALOG countries. Among 60–64-year-olds the lowest figure was in Austria (males 15 %, females 6 %). The highest figures are among some transition countries, where a long working career substitutes for the lacking social security for the retired (especially Estonia, Lithuania and Romania, see Table 10). The transition countries, however, are divided in this context, because in Poland and especially in Hungary the employment rate among older working groups seems to be at a low level. The low Hungarian figures are based on the pension policy: in Hungary from the mid-1990s the official retirement age (55 for women, 60 for men) has been gradually raised in the subsequent ten years to a unified 62 years for both men and women (Tarkanyi 2004, 22). The Polish policy seems to be based on early retirement: the policy of reducing the labour supply through the possibility of early retirement was carried out in the 1990s, resulting in a rapid increase in pensioners (Kotowska et al. 2004, 22). This has also been true of the Finnish pension policy until now.

The Netherlands' situation is an interesting one: among the 'younger' age group (50-59 years) the employment rate – especially among men – is high (82 %, see table 9). The rate then falls rapidly, and among 60–64-year-olds, the Dutch figures are average. Several reforms have been launched in the Netherlands to raise the age at retirement (see Esveldt and Fokkema 2004, 35). However, the average age at retirement from the labour force is highest in the Netherlands (62.2 years). The lowest figures are in Poland (56.6) and in Finland (57.6 years).

Table 9. Employment rate among age groups 50–59 and 60–64 years in the PPA year, by sex, %.

| Country                 | 50–59 years |    | 60–64 years |    |
|-------------------------|-------------|----|-------------|----|
|                         | M           | F  | M           | F  |
| <b>Belgium/Flanders</b> | 70          | 41 | 18          | 6  |
| <b>Czech Republic</b>   | 80          | 57 | 23          | 12 |
| <b>Germany</b>          | 76          | 59 | 31          | 15 |
| <b>Estonia</b>          | 70          | 67 | 50          | 36 |
| <b>Italy</b>            | 68          | 34 | 30          | 13 |
| <b>Cyprus</b>           | 86          | 48 | 50          | 23 |
| <b>Lithuania</b>        | 63          | 48 | 35          | 14 |
| <b>Hungary</b>          | 56          | 40 | 10          | 4  |
| <b>The Netherlands</b>  | 82          | 53 | 30          | 13 |
| <b>Austria</b>          | 73          | 43 | 15          | 6  |
| <b>Poland</b>           | 55          | 42 | 25          | 13 |
| <b>Romania</b>          | 62          | 46 | 36          | 14 |
| <b>Slovenia</b>         | 59          | 34 | 19          | 11 |
| <b>Finland</b>          | 73          | 73 | 29          | 24 |

## 4.2. Ageing and efforts to promote elderly workers' participation in the labour market

The policies of prolonging the economically active years vary clearly between different DIALOG countries: for example, three countries reported that they did not have any reforms to keep aged workers working longer (see Table 10). The countries were divided into four groups based on their efforts to prolong the working career:

1. Countries with an active reform policy (The Netherlands)
2. Countries with some reforms (Belgium, Germany, Cyprus, Austria, Italy, Finland)
3. Countries without reforms – or trying actively to promote early retirement (The Czech Republic, Estonia, Lithuania, Hungary, Romania, Switzerland).
4. Countries intending to launch reforms (Poland, Slovenia)

In the first group (the Netherlands) the aim is not only to provide new incentives but also to reduce or eliminate old benefits, which have reduced the retirement age. The Dutch model seems to include also several social packages to improve coping at work.

In the second group the main idea is to keep people at work longer through technical legislative reform.

The last two groups consist of transition countries. Poland and Slovenia have recognised the problems of early retirement and some new efforts have been made to restrict that policy (see Table 10).



**Table 10. Policies prolonging the active years in the labour market.**

|                              | <b>Countries with an active reform policy</b>  |
|------------------------------|--|
| <b>Netherlands</b>           | <p>The national target is that half of all people aged 55–64 will have a paid job in 2030 (almost twice as high as the current situation).</p> <p>The principles of the policies:</p> <ul style="list-style-type: none"> <li>- Make it easier and more attractive for people to keep working longer</li> <li>- Forced retirement should be avoided when possible</li> <li>- Voluntary retirement must remain an option, but the costs are to be borne individually rather than collectively. Also, encouraging reintegration into the labour market is one of the principles.</li> </ul> <p>The measures for achieving the goals mentioned above:</p> <ul style="list-style-type: none"> <li>- Favorable tax treatment for early retirement programs will be phased out (restricted) starting in '03</li> <li>- Flexible retirement programs : the change from pay-as-you-go to funded pensions encourages higher LFPR among older persons (people can choose between early retirement = lower pension or late retirement = higher pension)</li> <li>- Reduction of older employees receiving unemployment benefits (in several ways)</li> <li>- Reduction in the number of people claiming disability benefits by substantially reforming the system</li> <li>- Higher attractiveness of work: tax measures; prohibition on age discrimination, improving quality of work life; legislation etc.</li> </ul> |
|                              | <b>Countries with some reforms</b>   |
| <b>Belgium/<br/>Flanders</b> | <ul style="list-style-type: none"> <li>- Decrease of social security contributions for employers who employ older workers</li> <li>- Increased number of working years for full pension (45 years)</li> </ul>  |
| <b>Germany</b>               | <ul style="list-style-type: none"> <li>- Raising and unifying the official retirement age</li> <li>- Limiting the age limits for early pensions</li> </ul>   |
| <b>Cyprus</b>                | -Self-employment plan: A person who is 63 years of age or more and whose monthly salary is under CP 250 for one person and CP 350 for a couple can participate in the plan (the amount given can be used for the purchase of equipment or/and other materials)   |
| <b>Austria</b>               | <ul style="list-style-type: none"> <li>- In 2000 the minimum age for early retirement was raised</li> <li>- The calculation period for the amount of pension has been raised from 'the best 15 years' to '40 years' in order to lower the pensions for new entrants into retirement</li> </ul>   |
| <b>Italy</b>                 | - The government considers it important to increase the retirement age. The changes aimed at are increasing the retirement age in order to take into account the extended life span, harmonising the rules across worker categories and allowing a flexible retirement age etc.  |
| <b>Finland</b>               | - New legislation provides incentives to those who want to work after the regular retirement age (65)  |

|                       | <b>Countries without reforms – or trying actively to provide early retirement</b>  |
|-----------------------|--|
| <b>Czech Republic</b> | <ul style="list-style-type: none"> <li>- Active policy in this area is poor</li> <li>- The new law (2004) makes it possible for employers to provide certain benefits – such as contribution to the training of employees 50+</li> </ul>   |
| <b>Estonia</b>        | <ul style="list-style-type: none"> <li>- No policies specified</li> </ul>  |
| <b>Lithuania</b>      | <ul style="list-style-type: none"> <li>- Lithuania's legislation does not provide any additional or special work-related guarantees for elderly workers</li> <li>- Unemployed persons retiring within five years are included in the category of the additionally supported unemployed – payment of benefits shall be extended and in certain cases granted until retirement</li> <li>- A support program for pre-retirement-age working employees is under preparation</li> </ul> |
| <b>Hungary</b>        | <ul style="list-style-type: none"> <li>- No policies specified</li> </ul>  |
| <b>Romania</b>        | <ul style="list-style-type: none"> <li>- No existing programs, although the problem started to be discussed in 2003</li> </ul>   |
| <b>Switzerland</b>    | <ul style="list-style-type: none"> <li>-No particular programs at the moment.</li> </ul>   |
|                       | <b>Countries intending to launch reforms</b>   |
| <b>Poland</b>         | <ul style="list-style-type: none"> <li>- In the 1990s the policy was to reduce the labour force through the option of early retirement. The idea of giving up such a policy has emerged recently. Limiting the possibility of early retirement and eliminating pre-retirement benefits have been discussed, to go into force in 2007. An act on the activation of the elderly is now under preparation.</li> </ul>   |
| <b>Slovenia</b>       | <ul style="list-style-type: none"> <li>- Penalties for early retirement and bonuses for retirement after the full pension age.</li> </ul>  |

Next we will examine the retirement ages, both legal and actual ones. Only in six out of 15 countries was the legal age at retirement the same for both sexes (Table 11 on next page). The most common legal age for men among DIALOG countries is 65 years and for women about 60 years.

**Table 11. The legal age of retirement in the DIALOG countries (the year of PPA).**

| Country          | The legal age at retirement, by sex (years) |                    | The average age at retirement from the labour force (years) |         |            | Difference (years) |           |
|------------------|---|--------------------|---|---------|------------|--------------------|-----------|
|                  | Men A                                       | Women B            | Men C   | Women D | Both sexes | Men A-C            | Women B-D |
| Belgium/Flanders | 65  | 62                 | 58.6  | 58.4    | 58.5       | 6.4                | 3.6       |
| Czech Rep.       | 61  | 55-61 <sup>a</sup> | 60.7  | 57.3    | 58.9       | 3.7                | ...       |
| Germany          | 65  | 65                 | 60.1  | 60.7    | 60.4       | 4.9                | 4.3       |
| Estonia          | 63  | 63                 | ...   | ...     | 61.6       | ...                | ...       |
| Italy            | 65  | 60                 | 60.2  | 59.7    | 59.9       | 4.8                | 0.3       |
| Cyprus           | 65  | 65                 | 62.2  | 60.7    | 62.3       | 2.8                | 4.3       |
| Lithuania        | 61.5  | 57.5               | ...   | ...     | 58.9       | ...                | ...       |
| Hungary          | 62  | 62                 | 58.5  | 57.3    | 57.8       | 3.5                | 4.7       |
| Netherlands      | 65  | 65                 | 62.9  | 61.6    | 62.2       | 2.1                | 3.4       |
| Austria          | 65  | 60                 | 59.9  | 58.5    | 59.2       | 5.1                | 1.5       |
| Poland           | 65  | 60                 | 57.8  | 55.5    | 56.6       | 7.2                | 4.5       |
| Romania          | 65  | 60                 | 60.2  | 59.2    | 59.8       | 4.8                | 0.8       |
| Switzerland      | 65  | 63                 | ...   | ...     | ...        | ...                | ...       |
| Slovenia         | 63  | 61                 | 59.2  | 55.4    | 57.2       | 3.8                | 5.6       |
| Finland          | 65  | 65                 | 57.1  | 58.1    | 57.6       | 7.9                | 6.9       |

<sup>a</sup> Depends on the number of children

The lowest ages at retirement are to be found in the transition countries. The gap between legal retirement age and factual retirement was greatest in Finland, 7.9 years for men and 6.9 years for women. Especially in the transition countries efforts are being made to raise the legal retirement age (in the Czech Republic, Lithuania, Romania and Slovenia).

### 4.3. Ageing and care

In the parsimonious national report there were several paragraphs considering ageing and care. When average life expectancy has increased, the cost of institutional care in particular has increased as well. Therefore, different alternatives were under discussion in most countries. Naturally, efforts to support people's wish to stay at their home as long as possible is the main objective in the DIALOG countries. In the following care for the elderly frail has been divided into two parts: first we will study domestic care and then institutional care.

#### 4.3.1. Domestic care and its features in DIALOG countries

In many DIALOG countries family members are traditionally understood as a significant source of help in old age (for example, in the Czech Republic, Italy, Cyprus, Romania). This tradition is continuously disappearing: e.g. during the last decade, the number of elderly living in their children's home decreased seriously (Belgium/Flanders).

In other countries, ambulant domestic care provided by professionals has become a more frequent way to take care of the elderly. The basic principle is to enable the elderly to stay in their own home as long as possible (Germany, the Netherlands, Austria and Finland). In the ‘professional’ domestic care countries, ambulant and/or family help nursing services work together in close collaboration.

#### 4.3.2. Institutional care and its features in DIALOG countries

In many DIALOG countries the core of long-term care policies exists in institutional care. Times have changed and the new focus is on demand-oriented care. Thus the ‘traditional’ focus on supply site is questioned (Belgium/Flanders, Czech Republic), although this type of care was reported still to be universal in some countries (Estonia, Hungary). The change has been towards care provided in residential homes or/and nursing homes making up the main type of institutional care. At the same time, the differences in scope between nursing homes and old people’s homes have become smaller. In addition, nursing homes and old people’s homes merge their forces more and more. During the past years, a substantial part of the old people’s homes have been converted into apartments where people have their own independent dwelling and where the elderly pay separately for residence and care (e.g. Belgium/Flanders, the Netherlands, Austria, Poland, Finland).

#### 4.3.3. Policies that support families participating in long-term care

About one third of those aged 65 or over are living alone. The highest figures can be found in Estonia and Finland. One reason might be the low life expectancy of men in these countries.

**Table 12. One-person households in DIALOG countries in PPA year.**

| Country                | One-parent households |      |          |
|------------------------|-----------------------|------|----------|
|                        | 1990                  | 1995 | PPA year |
|                        | 65+                   | 65+  | 65+      |
| Czech Republic         | 31.0                  | ...  | 34.1     |
| Germany                | 41.0                  | 39.0 | 36.0     |
| Estonia                | ...                   | ...  | 41.5     |
| Italy                  | 29.2                  | ...  | 27.3     |
| Cyprus                 | ...                   | ...  | 46.9     |
| Lithuania <sup>2</sup> | 23.0                  | ...  | 30.1     |
| Netherlands            | ...                   | 32.1 | 33.2     |
| Austria                | 34.3                  | 32.0 | 31.5     |
| Poland                 | 23.6                  | 23.8 | 26.5     |
| Switzerland            | ...                   | ...  | 31.6     |
| Slovenia               | 23.6                  | ...  | 25.3     |
| Finland                | 38.6                  | 39.3 | 39.3     |

To provide an allowance or other financial support was the most common policy for supporting families who strive to provide long-term care for their relatives. This ‘minimum-level’ of support was provided in seven out of 13 countries. There were two countries that allowed special flexibility at work, namely Italy and Austria. The latter had a special leave arrangement, which allowed employees caring for their dying relatives to take a 3-month care leave. Four countries reported that they had no policy for long-term care.

**Table 13. Policies that support families participating in long-term care in DIALOG countries.**

|                       | <b>Allowances for caregivers</b>   |
|-----------------------|--|
| <b>Belgium/FI</b>     | All salaried persons are entitled. One can have complete interruption of labour activities; a reduction of working time with a minimum of 1/5.<br>Flemish policy: The informal caregiver can be paid for taking care of a person in serious need of care, if the 'patient' pays stipulated payments to a care fund.  |
| <b>Czech Republic</b> | Benefits for people who provide care for a close relation (care provided for old people is only one variant). Close relation : spouse, direct relative, children, sibling(s), son-/daughter-in-law   |
| <b>Germany</b>        | - Long-term care insurance also pays for domiciliary care. Benefits in kind are provided based on needs. Instead of taking these benefits in kind, persons in need can also opt to receive a nursing allowance if their care is handled by relatives.  |
| <b>Estonia</b>        | -Family members are an important source of support. Family members can apply for a caregiver's allowance   |
| <b>Cyprus</b>         | - A new scheme has been introduced whereby families will be assisted in their informal care of their elderly and/or disabled members at home so as to forestall their placing at institutional homes (addition of more rooms, purchase of required equipment etc.)<br>- Holidays funding for the Elderly   |
| <b>Hungary</b>        | A 'caring allowance' exists  |
| <b>Austria</b>        | - Family care can be considered the most important provision of care in Austria<br>- The Red Cross (among others) offers training courses for relatives providing care<br>- People who need care for more than 50 hours a week can "buy" care services. This means that the person in need of care should be able to decide, if she wants to give the long-term-care to a family member who is willing to take over care or to an institution.   |
| <b>Poland</b>         | -Family care is not only a result of strong kinship networks but also of underdeveloped institutional care.<br>- In all, there is no explicit policy that supports families in giving long-term care.<br>- Family allowance for a spouse aged 60+ or disabled and care allowance for persons aged 75+ or disabled  |
| <b>Finland</b>        | - Family members considered as an important source of support and assistance for older people.<br>Family caregiver's allowance provided by municipalities (spouse, partner or children are entitled to family caregivers)  |
|                       | <b>Supervision provided by NGOs</b>  |
| <b>Netherlands</b>    | No explicit government policy to support families providing long-term care to the elderly. However, there are several general long-term leave measures which enable people to combine work and long-term care leave on a part-time basis, for reasons of caring responsibilities for a partner, parent or child.<br>There are 80 centres (financed by the Ministry of Social Affairs) providing support and advice for informal (mainly partner or family) helpers. Domestic care organisations are also active in this field. |
|                       | <b>Benefits related to work (in the form of financial support, entitlements or benefits in kind)</b>   |
| <b>Italy</b>          | In order to take care of a disabled relative, the law provides employees with the possibility to request:<br>- a leave of 3 days per month<br>- to work closer to home   |
| <b>Austria</b>        | Employed people who care for dying relatives are entitled to take care leave. Three months of full-time or part-time care leave are guaranteed, and the leave may be extended to a maximum of six months.  |
|                       | <b>No interventions</b>  |
| <b>Lithuania</b>      | No policy  |
| <b>Romania</b>        | None   |
| <b>Slovenia</b>       | None   |
| <b>Switzerland</b>    | No particular programs   |

#### 4.3.4. Policies that provide ‘active-ageing’ programs

Policies that provide ‘active-ageing’ programs seem to be rather exceptional among DIALOG countries.

**Table 14. Policies that support ‘active ageing’ in DIALOG countries.**

|                       | <b>Comprehensive national policies</b>   |
|-----------------------|--|
| <b>Czech Republic</b> | <ul style="list-style-type: none"> <li>- A new program was published: ‘National program of preparation for ageing in the period of 2003-2007...’. The author was sceptical of its relevance.</li> <li>- The Czech Republic has long traditions of organising education for the elderly. Health care concentrates on curative measures and not on preventive measures that would lead to improvements in the quality of life in old age.</li> </ul>   |
| <b>Cyprus</b>         | Self-employment Plan: a policy aiming to promote labour force participation of persons over 63 years old with a salary under CP 250. Each person can gradually receive CP 800 that can be used to purchase equipment needed e.g. in agriculture, gardening or writing. ’   |
| <b>Netherlands</b>    | <ul style="list-style-type: none"> <li>- No governmental efforts; instead, local authorities are responsible for organising services (sports, adult education), which are also open to the elderly. There are also Open Universities, which are open to anyone</li> </ul>  |
| <b>Austria</b>        | <ul style="list-style-type: none"> <li>- During the last few years the terms ‘active ageing’ and ‘life-long learning’ have become rather popular in Austria – but there are few concrete measures or initiatives so far.</li> <li>- Some private companies have started active-ageing programs to stop the trend of early retirement.</li> <li>- A competition was arranged for private companies, with the goal of providing an award to firms that take certain measures for older employees.</li> </ul> |
| <b>Finland</b>        | <ul style="list-style-type: none"> <li>- Support for life-long learning (a part of formal education)</li> <li>-Preventive health care (‘Health 2015 program’): the illness of ageing people can be prevented, and their functional capacity can be promoted and rehabilitated.</li> <li>-University for the ‘third age’</li> </ul>   |
|                       | <b>Universities or education for the ‘third age’</b>   |
| <b>Belgium/FI</b>     | <ul style="list-style-type: none"> <li>- University for the ‘third age’</li> <li>- Sports for 50+ people promoted by regional Flemish government</li> </ul>  |
| <b>Italy</b>          | <ul style="list-style-type: none"> <li>- University for the ‘third age’</li> <li>- Trade unions of pensioners</li> </ul>   |
| <b>Lithuania</b>      | <ul style="list-style-type: none"> <li>- Universities for the ‘third age’</li> <li>- At the national level there are no independent programs for the elderly</li> </ul>  |
| <b>Poland</b>         | <ul style="list-style-type: none"> <li>- Universities for the ‘third age’</li> <li>- No governmental programs – the idea is more popular at the local or workplace level</li> <li>- A need for an active national ageing policy is expressed by many experts – several initiatives were presented for reforms</li> </ul>   |
| <b>Slovenia</b>       | -Universities for the elderly. Life-long learning  |
|                       | <b>No existing programs</b>  |
| <b>Germany</b>        | No programs  |
| <b>Estonia</b>        | No programs  |
| <b>Hungary</b>        | No programs  |
| <b>Romania</b>        | No programs  |
| <b>Switzerland</b>    | No programs  |

Austria and Finland seem to be the countries with the most comprehensive active-ageing programs. A fruitful policy might be provided especially by combining public and private arrangements.

In three countries the education of the 'third age' has been the goal of reforms. In six out of 13 countries no active-ageing policies appeared to exist. To summarise, there seems to be rather little interest on the part of governments in different DIALOG countries to activate elderly people.

## 5. Mass media publicity in different DIALOG countries

The national reports also examined the main topics appearing in the mass media related to population and demographic issues. In the following, a short summary will be presented. In cases where several topics were presented, the authors of this report have chosen the most interesting and valuable examples.

The topics discussed in the mass media could be divided into four main groups: ageing, low fertility, immigration and social reform for families.

In nearly all of the countries ageing or pension systems had been a part of mass media exposure. Less interest had been directed towards family issues. Two transition countries, the Czech Republic and Slovenia, reported discussions about low fertility.

Immigration was discussed in two different ways: immigrants as an economic resource (Germany) and restricting the influx of immigrants (Netherlands; see Table 15 below).

**Table 15. Mass media publicity in DIALOG countries.**

|                       | Several population topics, but <u>ageing</u> as number one   |
|-----------------------|--|
| <b>Belgium/FI</b>     | <ul style="list-style-type: none"> <li>- Pension issues: Early pension regulation, pension age, costs</li> <li>- Reconciliation of family and work</li> <li>- Migration: Voting rights for migrants and integration policies are hot topics in the mass media</li> <li>- Voting rights for non-EU citizens</li> </ul>  |
| <b>Netherlands</b>    | <ul style="list-style-type: none"> <li>- Ageing: Inter- and intra-generational solidarity with regard to paying for the pension programs</li> <li>- Raising the retirement age. Also increasing the LFPR of persons 55-64 years of age, women and ethnic minorities</li> <li>- Combination of work and care (how to encourage men to do more unpaid work)</li> <li>- Migration: Integration of the newly immigrated</li> <li>- Policies to restrict immigration, especially marriage immigration</li> <li>- Immigration as a solution to the ageing problem</li> </ul>   |
| <b>Austria</b>        | <ul style="list-style-type: none"> <li>- Ageing: reform of the pension system</li> <li>- Family and fertility: Change in the parental leave allowance system</li> <li>- Immigration as an economic issue (the need for workers...)</li> </ul>  |
| <b>Finland</b>        | <ul style="list-style-type: none"> <li>- The increase in the average retirement age, from 59 years to an increase of 2-3 years</li> <li>- Pre-school reform in 2002 and afternoon care for school-age children (as a subjective right)</li> <li>- How to decrease the high unemployment rate among immigrants (rate was about 30 %)</li> </ul>   |
|                       | Low fertility rate as a subject  |
| <b>Czech Republic</b> | - Low fertility level: whether to stimulate an increase in fertility or migration  |
| <b>Cyprus</b>         | <p>The declining birth rate has been discussed thoroughly in the press as it was associated with the continuance of the Greek-Cypriot population and as such constituted a national problem. In particular, a lot of attention was paid to the feelings of fear of depopulation of the Greek Cypriot community, accompanied with a respective increase of the Turkish Cypriot community, due to increasing birth rates as well as the arrival of settlers from Turkey</p> <ul style="list-style-type: none"> <li>- The media was also concerned the reasons behind the limited number of large families (in particular the financial burden of raising children) and the incentives (financial and non-financial), which could encourage large families (e.g. more public kindergartens).</li> </ul> |
| <b>Slovenia</b>       | - Very low fertility rate, depopulation, population ageing   |



|                    | <b>Immigration/integration as a main topic</b>   |
|--------------------|--|
| <b>Germany</b>     | <ul style="list-style-type: none"> <li>- New migration legislation (in 2002) (topics for discussion: integration, migration as labour market problem (Germany's 'green card'), how to restrict immigration of family members</li> <li>- Population ageing</li> <li>- Ageing population in former East Germany as a consequence of emigration of younger people to Western Germany</li> <li>- Demographic change and how it is connected to the financing of the social security system</li> </ul>  |
| <b>Switzerland</b> | <ul style="list-style-type: none"> <li>- Population ageing received a high attention. The problems of the finance of the old age pension system was a predominant topic in the mass media."</li> <li>- Migration issues incl. Asylum seekers and the integration of foreigners were always emphasised by the media. Particularly, political debates on new laws in this field is stimulating the public discourse.</li> <li>- Family (incl. Work), including the improvement of gender equality is one of the very present topics in the media.</li> </ul> |
|                    | <b>Social reforms for families</b>   |
| <b>Italy</b>       | <ul style="list-style-type: none"> <li>-Ageing society (how to finance the social security system, how to change retirement rules)</li> <li>-Immigration, low fertility</li> <li>- Incidence of poverty among families</li> <li>- Sustainability of the health care system</li> </ul>  |
| <b>Lithuania</b>   | <ul style="list-style-type: none"> <li>- Pension funds and reforms (should private funds be obligatory or voluntary?)</li> <li>- Reform of university education (should it be free of charge for poor students?)</li> <li>- Declining fertility and its impact on education policy (the need for teacher re-education)</li> </ul>  |
| <b>Hungary</b>     | <ul style="list-style-type: none"> <li>- Decreasing of population - 'the government should do something' discussion</li> <li>-Interest in a family support system or pro-natal family policies</li> <li>-How to promote immigration as a solution of the population problem</li> </ul>   |
| <b>Poland</b>      | <ul style="list-style-type: none"> <li>- Maternity leave was broadly debated in 2001, for and against. The debate was grounded in family-related policy measures, declining fertility and possible labour market effects of the solution</li> <li>- Gender and gender roles</li> <li>- The pension reform (in 1999) increased the mass media's interest in ageing and its effects on financing old age pensions</li> <li>- Several national and international population conferences and other occasions caused wide debate in the mass media</li> </ul>   |
| <b>Romania</b>     | <ul style="list-style-type: none"> <li>- Fathers' participation in child care. Reactions were mostly negative.</li> <li>- Poverty of the elderly population</li> <li>- 94 % of new buildings are privately owned</li> </ul>  |
|                    | <b>No mass media interest</b>  |
| <b>Estonia</b>     | The demographic process does not catch the interest of the media because it seldom makes sensational news.   |

## 6. Summary and some concluding remarks

The report addresses three main themes:

- Main demographic trends among DIALOG countries. Specific issues discussed were especially the complexity of low fertility.
- What are the special characteristics of ageing societies? How have the different DIALOG countries tackled the challenges of an ageing workforce? Particular attention was devoted to different efforts being made to prolong the careers of the aged.
- Various ways to reconcile work and family were also examined.  
The TFR is exceptionally low in countries with a high proportion of single men living with their parents. The national reports provided information about men only from ten countries.

As seen in Table 4 the figure of ‘ever-married’ showed a large variation between DIALOG countries.

On the other hand, childlessness is a growing phenomenon in western cultures. An exceptionally high rate of childlessness can be seen in Germany (especially in its western part) and in Austria. Italy, Lithuania and Slovenia form a group that differs from the other countries, because in these countries childlessness has remained at a low level.

None of the countries had specific programs for addressing population policy – for example, low fertility. On the contrary, in many transition countries the government’s current population policy attitude seemed to be very passive, and mostly more restrictive. In some of these countries pro-natal policies had been pursued prior to transition, and the contrast between past and present was clear.

On the other hand, in some Western European countries, government eagerness to be active in population policy seems limited (for example, Germany, Austria and the Netherlands).

There was great variation between employment rates in DIALOG countries. The employment rate among women is low in transition countries, the possibilities of entering the workforce being limited because of the decline in day care facilities. Also, public family benefits are limited in these countries. The clear exception is Slovenia, which has a quite modern family policy system that helps women enter the labour market.

There is a continually growing need to prolong elderly workers’ participation in the labour market. The policies to lengthen the active years vary clearly between different DIALOG countries: for example, four countries reported that they had no reforms to keep elderly workers working longer.

There were several measures to support families participating in long-term care: To provide allowances or other financial support was the most common policy in this context. This ‘minimum level’ support was provided in eight out of 13 countries. Two countries – Italy and Austria – provided supportive measures at work.

Austria seems to be a country with the most comprehensive active-ageing programs. Combining public and private arrangements might be especially fruitful from a policy standpoint.

In five of the countries the education of the ‘third age’ has been a goal of reforms. In five out of 13 countries, there appeared to be no active-ageing policies. However, government interest in activating elderly people in the different DIALOG countries seemed to be rather small.

The main topics in the mass media related to population issues were also studied. Two explicit themes were found: ageing (pensions) and immigration.

At the beginning of the report it was shown that population policy proper is not practiced by the governments of the DIALOG countries. Instead of direct policy, indirect measures were used. In this context family policy and its variations played a central role.

Transition countries (former socialist countries), in particular, were faced with fertility decline in the 1990s. There were some examples showing that new family policies and other social policy measures are being used in a more clear-cut fashion. As one Estonian scientist reported: ‘Our society has stood still for the last 15 years. Recently, however, while standing still, it has begun to march in place ever faster. The social reforms are on their way: we can only hope that these policies will also have some demographic value’.

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## **Appendix of D14: Summaries of the National Reports**

### **1. Population structure**

#### **Belgium (Flanders)**

The population of Belgium has been growing slowly during the 1990s. It was 10.4 million at the end of 2002. The population is ageing; the fertility rate is relatively low (1.62) and the life expectancy at birth rose during the 1990s. The nuclear family is still the most common family form in Belgium. However, the proportion of people in other family types is growing. Advancing equality between different forms of families has been one of the main aims of family policy. The mean age at first marriage for both men and women has increased during the period 1990 - 2002 by about 2.5 years, rising to 28.9 for men and 26.7 for women in 2002. The unemployment rate was 7.6 in 2002, having ranged between 6.6 and 10 during the last decade. "Atypical" employment is increasing in Belgium. The proportion of women working part time has been increasing from 23.2 % in 1990 to 41.0 % in 2002. The proportion of men working part time is much lower (5.0 % in 2002). Short-term employment forms only a small part of total employment: 1.9 % in 2002.

#### **The Czech Republic**

The population of the Czech Republic was 10.27 million by the end of year 2001. Since 1994 it has been declining due to low fertility. Immigration does not sufficiently compensate for the decrease in the population. During the 1990s the proportion of elderly people has remained quite stable, between 13 and 14 percent, but changes have occurred in reproductive behaviour: the share of children aged 0-14 has decreased 5 percentage points from 21 % to 16 %. The mean age at first marriage increased for men from 24.0 years in 1990 to 28.9 years in 2001 and for women from 21.4 years to 26.5 years. The mean age of women at first birth increased from 22.5 years in 1990 to 25.3 years in 2001. The decrease of the mortality level in the Czech Republic was among the highest in Europe and life expectancy at birth rose from 67.6 years to 72.2 years for males and from 75.4 years to 78.5 years for females between 1990 and 2001. A significant change occurred also in the infant mortality rate, which decreased from 11 % in 1990 to 4 % in 2001. The high proportion of single-parent families (13.5 % in 2001) is a consequence of increased fertility among unmarried women and a high divorce rate. The number of households of cohabiting couples has increased as well. Since 1996 the proportion of unemployed people has risen continuously and is affecting ever wider groups of the population.

#### **Germany**

Germany's population of 82.4 million has been growing during the 1990s, although the total fertility rate is very low at 1.31 in 2002. This has been due to a positive net migration rate. The popularity of marriage has been declining; the first marriage rate has decreased and the number of divorces has increased. At the same time the popularity of non-marital unions has increased, especially in Eastern Germany. Life expectancy at birth for men and women has continued to rise during the 1990s, and was 75.0 for men and 81.0 for women in 2002. The unemployment rates have been increasing, especially in Eastern Germany. This has led to many changes in work-related policy. Examples of the changes made are the softening of the rigid labour laws in order to increase the possibilities of employers to hire people more easily, and simplifying the regulations for atypical work.

## **Estonia**

The present demographic development of Estonia has been to a great extent influenced by the changes in the population composition that occurred during and after the WWII. Currently the number of native population is ca 10 per cent lower than its prewar level. On the other hand, Estonia has been characterised by mass immigration since 1945 and by now, the foreign-origin population, including the second generation, comprises about 35 per cent of the total population. The discontinuity introduced by the emergence of large foreign-origin population is essential for understanding virtually all demographic trends in the country. As regards to population growth in the 1990s, the drop in fertility combined with advanced population ageing, particularly among foreign-origin population, and a relatively low life expectancy has translated into one of the Europe's most rapid population declines. The balance of births and deaths turned negative for native population in the early 1970s, and since 1991 for the total population, according to demographic projections the decline of the population is expected to continue during the forthcoming decades. In Estonia, the analysis of population developments in the 1990s requires a careful attention to the data quality issues. Most importantly this refers to the harmonisation of time series of population stock which should be accomplished before definite conclusions about the intensity of demographic processes can be drawn.

## **Italy**

The natural increase of population in Italy has been negative since 1993, but due to positive net migration the population of Italy has grown slightly between 1990 and 2002, reaching 56.7 million in 2002. Marriage and parenthood have traditionally been very important parts of Italian family life. However, people marry less and later than before, which has had a delaying effect on the timing of women's first births. The total divorce rate is relatively low at 0.12 in 2001. Italy is one of the leading countries in low mortality levels. The life expectation at birth was 76.7 years for men and 82.9 years for women in 2001. The share of people over 65 years old has increased. It was 18.1 % in 2001, while the population aged below 14 has decreased from 22 % in 1981 to 14 % in 2001. The high share of young adults aged 20-29 living with his/her parents increased further during the 1990s from 71.1 % to 81.3 % for males and from 50.3 % to 64.6 % for females. This is the same age group that suffers from high unemployment rates. The other structural factors characterising Italy's labour market are the unemployment rates that vary greatly by region and a low female employment rate. In recent years more labour force flexibility through new rules for atypical employment and hiring procedures have been adopted in Italy.

## **Cyprus**

In 2002 Cyprus had 0.8 million inhabitants of whom 80.1 % belonged to the Greek Cypriot community, 10.9 % to the Turkish Cypriot Community and 9.0 % were foreign residents. The population had increased from the previous year by 1.2 %. The net migration rate of Cyprus has been positive during the 1990s. The proportion of elderly people is still low: 11.7 % of the population was above 65 years of age in 2001. The reason for this is that Cyprus has not yet reached the stage of ageing that prevails in many other European countries where the fertility had declined much earlier. Due to the comparatively high fertility rate in the 1990s, the proportion of children below the age of 15 is slightly higher than in Europe on average. Family ties in Cyprus are still strong, but they are weakening. The total divorce rate has increased from 0.07 in 1990 to 0.21 in 2001. The unemployment rate is rather low in Cyprus: 2.6 % of men and 3.6 % of women were unemployed in 2001. Atypical work is not very popular in Cyprus.

## Lithuania

Several rapid changes in the demographic processes and structures have occurred since the early 1990s in Lithuania. The population has decreased by as much as 230,000 between the years 1992 to 2001. In 2001 the population was 3.5 million. Today's legal migration flows are very weak in Lithuania, but illegal, usually short-term, emigration, particularly among the youth, has begun. About 200,000 people emigrated illegally during the 1990s. At the beginning of the 1990s mortality increased significantly in Lithuania. Although the situation has improved, the level of mortality remains higher than in other Western countries. In 2001 the life expectancy at birth for males, 66 years, was lower than forty years ago. For women it was 78 years. The Lithuanian population is ageing rapidly: the "old age" dependency ratio has increase from 16.2 to 21.3 during the period 1990-2001, while the "young age" dependency ratio has decreased from 33.9 in 1990 to 29.7 in 2001. The number of marriages has dropped: 36,000 couples married in 1990, but only 16,000 in 2001. High unemployment rates are a serious problem in Lithuania. In 2001 the proportion of unemployed men was 19.9 % and women 14.7 %<sup>2</sup>. Particularly young people under 25 years old suffer from unemployment. Beginning in 1995 when the retirement age was prolonged, the unemployment of elderly people has started growing rapidly. Working part time is not very common in Lithuania.

## Hungary

Hungary's population has decreased steadily but slowly during the 1990s and totaled 10.2 million in 2002. The population is ageing due to the sharp decrease of fertility and the rise in life expectancy. Despite the low interest of government towards high mortality, the life expectancy at birth has grown between 1990 and 2000 from 65.1 years to 67.1 years for men and from 73.7 years to 75.6 years for women. The net migration rate has been positive during the 1990s and the proportion of foreign population has grown, reaching 1.5 % in 2000. The nuclear family is still the most common family type, but it seems that the institution of marriage has become more fragile as the number of cohabiting couples and single parents has increased. The number of divorces was constant, but rather high, during the 1990s. The mean age of women at first marriage has increased between 1990 and 2000 from 21.5 years to 24.6 years. The proportion of live births out of wedlock has risen as well, from 13.1 % to 29.0 %. Unemployment, unknown for decades, rose to a very high level in the first years of the 1990s. Since that it declined, but was still high in 2000.

## The Netherlands

The population of the Netherlands has grown from 14.9 million in 1990 to 16.1 million in 2002. Recently, the pace of growth is slowing down, mainly caused by decreasing immigration and increasing emigration. The life expectancy at birth was 76.0 for men and 80.7 for women in 2002. The proportion of young people has decreased considerably but for the time being it has stabilised at 25 percent of the population. The proportion of elderly people aged 65 and more is growing continuously, and around 2010 the pace will accelerate even more because of the ageing of the baby boom generation. The most significant changes within family and household forms took place in the number of cohabiting couples: from 1995 to 2002 the number of cohabiting couples without children at home increased by 19 percent, and those with children by 98 percent. The labour force participation rate has increased remarkably for women from 53.1 % in 1990 to 67.0 % in 2002. As high a proportion as 71.3 % of employed women worked part time in 2001. The unemployment rates were low for both sexes in 2002: 2.8 for males and 3.6 for females.

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<sup>2</sup>These results are from the Labour Force Survey. Unemployment rate according to Labour Exchange Office was lower (total 12.5 %).

## **Austria**

In the beginning of the 1990s Austria encountered a short period of population growth caused by immigration. The growth was slowed down by Europe's first immigration quota system. However, the population growth occurring today in Austria is still mainly due to a positive migration rate. Austria had 8 million inhabitants in 2001 of whom 8.8 percent were foreign nationals. The age structure of Austria has changed a lot from the past because of demographic ageing caused by low fertility and rising life expectancy. Nevertheless, during the 1990s it remained rather stable. The proportion of children under 15 years was 16.8 percent and the proportion of people in pensionable age was 21.1 percent in 2001. The total first marriage rate was already low in 1990 at 0.58, but in 2001 it had decreased to an all-time low of 0.47. The total divorce rate is high in Austria: after having more than doubled to 0.33 in 1990, it increased further to 0.46 in 2001. The unemployment rate in Austria is low, 3.7 % for males and 3.1 % for females in 2001. In 2001 2.8 % of all people in the labour force worked in atypical work situations. A new form of atypical work was initiated in 1998. With up to 12 hours of work per week and salary under 296 €, no taxes have to be paid and the employer only pays the contributions to the social security system. This type of employment has been more stable than expected: almost three fourths of the employees have not changed their employer within the last 12 months.

## **Poland**

In 2002 there were 38.2 million inhabitants in Poland. It was the fourth year of negative population growth and the first year of a natural population decrease. The net migration rate was negative during the 1990s. In 2001 16,743 more people left the country than immigrated. A married couple with children is the most common family form but their share has declined from 62 % in 1988 to 56 % in 2002 (population census data). In contrast, the share of one-parent families has increased from 15 % in 1988 to 19 % in 2002. Cohabiting is still not very popular in Poland, but surveys show some evidence of a rise in the number of cohabiting couples. The divorce rate has been rather low in Poland. The low life expectancy of males grew four years to 70.21 between 1991 and 2001. For women it grew three years to 78.38. The marked decline in infant mortality (from 19.3 deaths per 1000 live births in 1990 to 7.7 in 2001) contributed considerably to that progress.

The share of persons aged 65 and more is relatively low (12.5 % in 2001), however its rapid rise is expected after 2005 since post-war baby-boomers will approach the old age. Poland had not encountered unemployment until the 1990s. The total decline of jobs as a consequence of the restructuring of the economy was about 3.05 million between 1990 and 2002. At the same time the working-age population grew by 2.13 million as the echo of the post-war baby boom entered the working-age. The overall labour force participation rate is much lower than among the other new EU members and the unemployment rates are among the highest as well.

## **Romania**

Romania's population of 21.7 million has been decreasing continuously during 1990-2002, particularly among the male population. As a consequence of low birth rates, migration and increasing mortality among adult males, there was substantial demographic ageing in the 1990s, particularly among the rural female population. The proportion of Romanian people aged 0-14 has decreased from 22.4 % in 1992 to 17.6 % in 2002. At the same time the proportion of people in the age group 65 and over has increased from 11.1 % to 14.1 %. The labour market has suffered from the ageing of the population as well: in 2002 there were 1,362 inactive persons for every 1,000 active persons in Romania and the decreasing tendency is about to continue. The employment rate has been lower than before the collapse of the communist



regime, but higher than the average rates in the EU. Unemployment mostly affects the urban areas and the young generations. A total of 11.6 % of the Romanian people worked part time in 2002.

### **Switzerland**

The population growth of Switzerland is mainly caused by migration. The peak of migration was experienced in the early 1990s and after a period of decline it has been increasing again since 1998. The average life expectancy at birth has been continually increasing during the 1990s. In 2002 it was 83.0 for females and 77.8 for males. The proportion of people aged 65 or more has slightly increased between 1990 and 2002, while that of the age group 0-19 has somewhat declined. The number of marriages has declined steadily and the first marriages are contracted later than before. The total divorce rate has increased from 33.2 % in 1990 to 40.0 % in 2002. The nuclear family is still the most common household type, but the number of consensual unions has steadily increased since the 1980s. In 2000 15.4 % of the population lived in single households. The unemployment rate is low in Switzerland compared to many other European countries. Among the population aged 15-64, the unemployment rate was 2.3 % for males and 2.6 % for females. Part-time work is very common especially among women, of whom 53.3 % worked part time in 2002. However, no particular policies towards atypical work exist in Switzerland.

### **Slovenia**

The population of Slovenia was about 2 million during the 1990s. Due to the decrease of births, the number of deaths has exceeded the number of births since 1997. The migration rate has been low after the disintegration of former Yugoslavia. During the 1990s the life expectancy of men and women increased and was 72.3 years for men and 79.7 years for women in 2000. The young-age dependency ratio has decreased from 30.3 in 1990 to 22.7 in 2000, while the old-age dependency ratio has increased from 15.6 to 19.9. Unemployment developed into a serious problem in Slovenia in the 1990s, particularly affecting young people. Today the unemployment rate (7 %) is quite high, but compared to the rest of Europe, not exceptionally high. Fixed-term employment became the most usual form of new employment in the 1990s: over 70 % of new employment is of limited duration.

### **Finland**

Finland's population has been growing steadily but slowly during the 1990s, reaching 5.2 million in 2002. The gradual decrease and stabilisation of fertility and the continuous rise of life expectancy have contributed to the ageing of the Finnish population. Since the natural growth of population is beginning to decline, a larger proportion of the population increase is expected to result from positive net migration. The nuclear family is still the most common family type, but the share of single-parent families and cohabiting couples with children has increased during the 1990s. The total divorce rate is high in Finland: 0.50 in 2002. The unemployment level has exceeded the EU average since the recession period in the beginning of the 1990s. The share of men and women working part time is low compared to many other countries in Europe, but it has increased between 1990 and 2002, reaching 17.2 % for women and 7.8 % for men in 2002.

## 2. Fertility

### Belgium (Flanders)

The fertility rate in Belgium was 1.62 in 1990. After decreasing to 1.56 in 1995 it increased again to 1.62 in 2002. There is no explicit governmental view on population growth in terms of raising fertility. Family-related policies during the 1990s concentrated on creating measures that would aid women and men in combining work and family life. These policies can be seen as indirect means to raising fertility.

### The Czech Republic

At the early 1990s the right-wing government turned away from pro-natal population policy and largely gave up its responsibility to support families. At the same time the total fertility rate decreased significantly, from 1.89 in 1990 to 1.18 in 1996. Since 1996 it has stabilised at an extremely low rate, below 1.20. The share of births out of wedlock increased greatly during the 1990s: in 1990s only 8.6 percent of births were to unmarried mothers whereas in 2001 their share was 23.5 percent. It was not until 1998, when the Social Democratic government was elected, that the official view of population development changed. In 2001 two measures were implemented that increased the birth grant and the acceptable income of a parent on parental leave. No effects of the measures have been perceived.

### Germany

The fertility rates differ between Western and Eastern Germany. Since 1994 the birth rates have continued to increase in Eastern Germany, after a remarkable decline of TFR after the Reunification from 1.56 in 1989 to 0.77 in 1994, while in the former federal territory the birth rates have been falling. The total fertility rate in Germany was 1.45 in 1990, and as low as 1.31 in 2002. The number of live births out of wedlock has increased from 15.3 % in 1990 to 23.6 % in 2002, especially in Eastern Germany. Although Germany had no explicit population policy in 2002, families and marriage have always been in the focus of the political agenda. However, during the 1990s much attention was also paid to equalising the status of other living arrangements than marriage. The government of Germany considers the fertility level too low, but no explicit policies are aimed at raising it.

### Estonia

Estonia reached below-replacement fertility in the 1920s and remained a country of low fertility also during the post-war decades. The increase among the native population at the end of the 1960s returned fertility to replacement level for two decades. This was followed by a sharp fertility decline in the 1990s, with the TFR dropping down to 1.3. In terms of parity, the biggest reduction occurred with the second and third child; the decline concerned virtually in all subgroups of the population. The level of non-marital fertility had already been very high in Estonia in the period 1945-1955 (about 0.5 by total rate), declined through the mid-1960s and then turned to increase again. In the 1990s, the proportion of non-marital birth increased and approached the level of 50 per cent. At the same time, high non-marital fertility does not necessarily mean a growth of births to single parenthood but reflects the spread of non-marital cohabitation. There are no explicit population policies in Estonia, but the government's view is to increase fertility.

## **Italy**

The total fertility rate was low in Italy during the 1990s: it decreased from 1.36 in 1990 to 1.18 in 1995 and then rose to 1.26 in 2002. The mean age of women at first birth increased from 26.9 in 1990 to 28.1 in 2002. Few children are born out of wedlock. In 2001 the Italian government regarded the population growth as satisfactory but saw the fertility level as being too low. The economic support to families with children has been low compared to many other EU countries, but recently families have received more attention. The improvements in income transfers adopted in the 1990s were an enlargement of the means-tested maternity benefit for mothers who do not work, the revision of tax credits, family allowance for families with more than three minor children and an increase in some other family allowances. Nevertheless, financial support to parents is still limited in Italy and many family policy measures are means-tested.

## **Cyprus**

The total fertility rate has declined rapidly between the years 1990 and 2001. In 1990 it was 2.43 but in 2001 only 1.57. The proportion of extramarital births in Cyprus is one of the lowest in Europe: the proportion of extramarital births in 2002 was only 3.5 % of all births. The mean age of women at first birth as well as the mean age at first marriage of women and men has slightly increased during the 1990s. Cyprus has no explicit population policy, but family policy and the pension system receive much attention. The government aims to create measures that would increase fertility and family welfare.

## **Lithuania**

Fertility in Lithuania has decreased significantly during the 1990s. The total fertility rate was still 2.03 in 1990, but then it sank to 1.55 in 1995 and to 1.30 in 2001. More and more couples choose not to marry. Coupled with that, the number of extra-marital births has increased from 7 % in 1990 to 25.4 % in 2001. The government of Lithuania regards population decline as a negative phenomenon, but no explicit policies are presented. The objectives of the government are to decrease emigration and mortality and to increase fertility. The focus of policies aiming at raising fertility is on increasing family allowances. There are no explicit policies to reduce emigration.

## **Hungary**

Hungary had a generous pro-natal family policy from 1965 to 1990. From 1990 the first democratic government tried to preserve the wide system of family policy and even tried to improve it by introducing a new parental allowance for large families. In 1994 the official government decision declared that raising fertility and reducing mortality are the goals of population policy in Hungary. However, after 1994 the government seemed no longer interested in these demographic problems. This weakened family policy. The next government from 1998 partly re-established the system and set up a Demographic Governmental Committee. The object is to raise the total fertility rate that decreased greatly between 1990 and 2000, from 1.84 to 1.33.

## **The Netherlands**

The total fertility rate decreased from 1.6 in 1990 to 1.5 in 1995, but increased again to 1.7 in 2002. The mean age of the mother at first birth is high (28.7) in the Netherlands. Among highly educated women it is even higher (33-34), compared to those with less education (25-26). The proportion of live births out of wedlock has recently increased considerably: in 1995 it was 15.5 % and in 2002 it was 29.1 %. The

Dutch government does not want to interfere with policy measures in major demographic trends with the explicit aim to change population size or structure. Instead, the aim of population policy is to promote the combining of family life and work for women and men, to secure the welfare of families and support them in having the number of children they wish. The government regards population growth and the fertility level as satisfactory.

### **Austria**

Austria has had a low fertility rate for a long time, but in 2001 it fell to an all-time low, 1.33. The proportion of non-marital births was rather high at 33.1 percent in 2001. The mean age of women at first birth has increased as well. It was 26.5 years in 2001. It has been estimated that for the generations born around 1970, lifetime fertility will be around 1.5 and that one fourth of the women will remain childless. There is no explicit population policy in Austria, but the government considers fertility too low and has raising fertility as its aim. The view of government is that population growth should be achieved not by immigration but by raising the birth rate. Government measures are increasing family cash benefits and helping parents to reconcile work and family life.

### **Poland**

The number of births is on a steady decline in Poland. The total fertility rate has decreased from 2.04 in 1990 to 1.31 in 2001 and the mean age of women at first birth has risen from 23.5 years to 24.8 years. Almost 85 % of children are born in marriages. Despite the disadvantageous changes in family-related behaviour and the concern over the population decline with a too low fertility and the problem of ageing, there is no explicit population policy in Poland. Family policy issues did not receive much interest during the 1990s either. Two family policy programs have been implemented: the first one in 1997 by the left-wing government that aimed to rationalise the benefits and the second one in 1999 by the right-wing government that put more emphasis on tax-related measures and support to large families. However, these programs remained mostly at the level of declarations.

### **Romania**

During the transition from the pro-natal policy of the communist regime to a democratic society, several policy changes were made that influenced demographic development. For example, the liberalisation of abortion and use of contraceptives and the dramatic decrease in the level of the child allowance have had an impact on the total fertility rate. It decreased severely during the 1990s from 1.52 in 1992 to 1.30 in 2001. However, there is no explicit population or family policy in Romania and the government has not announced its view on population growth and fertility levels. During the last few years an increase in the number of births outside marriage has taken place, along with a decline in the number of marriages.

### **Switzerland**

The total fertility rate has been declining during the 1990s from 1.58 in 1990 to 1.41 in 2002. There is a great difference in the TFR between foreign nationals and Swiss women: among the former it reached 1.93 in 1999 while among the latter it came up only to 1.27 in the same year. The mean age of women at first birth has increased during the 1990s. In 2002 it was 28.9 years of age. The government of Switzerland regarded the population growth as satisfactory in 2002, but the fertility level as being too low. No explicit governmental policies on fertility existed, but indirect attempts have been made to raise it by improving fiscal policy, child care arrangements and maternity leave. The family policy in Switzerland is relatively poor. The cantons and the municipalities are responsible for most of the services and benefits,

which therefore vary widely in their background, objectives, level of benefit and institutional arrangement. Cantonal family allowances are the most important form of benefit.

### **Slovenia**

The total fertility rate decreased from 1.46 in 1990 to the very low rate of 1.26 in 2000. The government has been rather slow in becoming aware of low fertility leading to a population decline. Currently the causes and probable consequences of low fertility have been discussed more, but no solutions to the problem have yet been found. Family policy has been comprehensive in Slovenia: unlike most other transition countries it has managed to preserve the family benefits that existed in the socialist period. Despite this, obviously no policies have had a significant effect on fertility. The infant mortality rate has improved in Slovenia: during the 1990s it declined from 8.2 to 4.9 per 1,000 live births. The proportion of non-marital births increased from 24.5 % in 1990 to 37.1 % in 2000.

### **Finland**

The total fertility rate in Finland has ranged between 1.70 and 1.85 since the 1990s. It was 1.73 in 2002. There is neither an explicit population policy nor a governmental view on population growth in Finland. The government regards the fertility level as satisfactory and there are no explicit policies aimed at raising it. The focus of family policies is the well-being of families and strengthening the Nordic welfare model. Compensation of the costs arising from raising a child is relatively generous and wide-ranging in Finland. The majority of the benefits are universal.

## **3. Work and Family**

### **Belgium (Flanders)**

The main object of family policy during the last decade has been promoting the balance between work and family life. For instance, the new time-credit system, implemented in 2002, allows an employee to interrupt work or to reduce working time in order to spend more time with his/her family. The family member that reduces working time receives a modest benefit. Another goal of the new system is to increase labour force participation among women and those over the age of 50. The male bread-winner model still reigns in Belgium, but recently it has been made possible also for men to participate more in family life. Both women and men have a right to choose from three forms of parental leave until the child reaches the age of four. Day care programs can also be seen as a way of supporting parents in combining work and family life. Examples are pre-school education that is available to all children from 2½ to 6 years old and an 80-percent tax reduction of regulated and supervised child care costs for a child under the age of three. Still, there is a shortage of formal day care places for 0-3-year-old children. About half of the children are cared for by their grandparents.

### **The Czech Republic**

Before 1990 child care services were extensive in Czechoslovakia. Due to women's high labour force participation, almost 100 percent of 3-6 year-old children were enrolled in pre-school education. The fees were very low. The proportion of 0-2-year-old children in nurseries was 14 percent in 1989. Currently Czech women face greater conflicts than the older generations between caring for their children under the age of three and labour force participation: the emphasis in child care has shifted to parental leave

and nurseries have practically disappeared. State expenditures on child care facilities have declined enormously, while fees for their use have increased. Despite a sharp decline in the number of kindergartens, the enrolment rate of children aged 3-5 years is about 92 percent. This is due to the decrease in the child population. Access to kindergarten is a subjective right for a 5-year-old child. Since 2001 fathers have been entitled to the same right as mothers to take parental leave. The parental leave can be taken until the child's third birthday with job security, or until the fourth birthday without it. In 2001 the parental allowance a parent was entitled to during the leave was 1.1 times the minimum level of subsistence of adults (since 2004 the allowance has been 1.54 times the minimum level of subsistence of adults). Employers in the Czech Republic are obliged to allow a pregnant woman or a woman with a child under fifteen years old to work shorter or otherwise amended working hours, if she so demands. However, it is not very popular to work part time, because it is usually financially unfavourable.

### **Germany**

The reformation of parental leave was implemented in 2001. Its aims are increasing the number of fathers taking parental leave and participating in household duties, and raising working possibilities for women. The new regulations for children born after January 1, 2001 are the possibility for both parents to take parental leave simultaneously, the legal right to work part time in companies with more than 15 employees, and – if agreed on with the employer - the right to postpone the third year of leave up to the child's 8th birthday. Families have mainly cared for their children themselves at home, especially in Western Germany, where the proportion of institutional child care is minor: in 2000 only 3.7 % of children aged 1-3 were enrolled in day nurseries. In 1996 legal entitlement for a place in kindergarten for every child between 3 and 6 was implemented. Children under 3 years of age do not have this right. The proportion of children in kindergartens is higher now, but most places are only open part time, which makes it hard for parents/mothers to work. In Eastern Germany the situation is better, but declining steadily.

### **Estonia**

In the beginning of the 1990s, marriage declined sharply in Estonia. In five-six years, the total first marriage rate dropped to half the 1990 level: 0.35 for females (1996) which is among the lowest in Europe. The frequency of divorces steadily increased until the 1980s, with about half of marriages ending in divorce. Although somewhat declined in first half of the 1990s, Estonia has maintained relatively high level of female workforce participation. General labour market indicators, such as unemployment rate, indicate no major violations of gender equality in Estonia. Day care facilities decreased in number in the beginning of 1990s and the system of day nurseries virtually disappeared, however, re-appearing in the recent years. Parents are entitled to leave up to three years upon childbirth, of which the first year is fully paid since the beginning of 2004.

### **Italy**

Between 1990 and 2000 three new laws improving gender equality were passed. The latest law on parental leave (2000) was implemented to support maternity and paternity and to reconcile work and family: new categories of parents were made eligible for leaves and the child's age within which parents can take leave from work was extended. The participation of fathers in care was also promoted by introducing a right to parental leave independent of the mother's right. If the father participates in parental leave, the parents receive one extra month of leave. There is a legal possibility in Italy to obtain funds allocated for initiating projects agreed on with trade unions that aim to achieve a balance in work and family life for both genders. Despite the advanced legal possibilities, in reality women still meet difficulties in working life and in dividing the duties at home with men.

The child care system in Italy consists of crèches for children up to 3 years old and kindergartens for children aged 3-5 years. Municipalities are responsible for public crèches, while the kindergartens are run both by the municipalities and the government. The private sector provides child care services as well. There is a marked difference between the availability of child care for small children and children between 3-5 years of age: the quality of public child care services is very high in many regions, but places and opening hours are very limited in crèches. As a consequence they are unsuitable for easy reconciliation of work and family life. On the other hand, more than 90 % of children between 3-5 years attend kindergarten. The crèches are quite expensive, while the kindergartens are highly subsidised and parents have to pay only for the cost of meals. The lack of publicly-funded child care for small children is somewhat compensated for by family care: at the end of the 1990s almost half of the 0-2-year-old children were cared for by their grandparents, and about 17 % by mothers who did not work.

### **Cyprus**

It has traditionally been mainly a woman's duty in Cyprus to take responsibility for caring for dependent family members. However, the new family structures, the weakening of family ties and the increasing participation of women in the labour market have created a demand for new types of formal care and social support. One of the measures aimed to encourage women's participation in the labour market is to expand and improve child care facilities. The emphasis in developing family services is on the non-governmental sector, which may deliver services more effectively on a local level. The parental leave for mothers/fathers is unpaid and lasts three weeks after the maternity leave that lasts 16 weeks. In addition, mothers are allowed to reduce their daily working hours by one hour for the first 6 months after returning to work. The proportion of children aged over three years in day care centres was 86.5 % in 2001 and the proportion of children aged 1-3 years was 33.9 %. The establishment and operation of day centres for school-age children until working parents finish their working day is promoted.

### **Lithuania**

Equal opportunities between men and women, particularly in reconciling family and work have in recent years received attention in legislation and various programs. Women and men have equal rights to take parental leave, and parental and child care leaves could be seen as measures promoting women's labour force participation. During the Soviet period the system of day care institutions was well developed quantitatively. However, the quality of the institutions was poor. Seventy-four percent of pre-school age children were attending kindergartens and crèches in 1987. In the first half of the 1990s, the day care system was practically destroyed. The male breadwinner model prevailed and the mothers' duty was to bring children up at home. Although the situation started changing in the mid-1990s and considerable attention has been paid to improving the quality of the child care system, the supply of services has not been able to meet the demand and insufficient attention has been paid to the introduction of flexible forms of employment. In the beginning of the 2000s family policy was still mostly interpreted as the family allowance and the maternal/parental/child care leave system.

### **Hungary**

The active labour force participation of women became common in Hungary earlier than in developed European countries. Already in the first half of the 1970s full employment among women existed. The wide development of the nursery school system followed thereafter. Eighty-five percent of children attended nursery school in 1979. The privatisation and reduction of services started during the transition period. Today, there are numerous kindergartens for 3-6-year-old children and day nurseries for smaller

children in Hungary. In 2000 10.3 % of the children were cared for in day nurseries and 87.2 % in kindergartens. Parents have to pay only for the meals. Unlike kindergartens, the day nurseries do not belong to the education system. The family leave system of three programs of paid leave in Hungary went through many changes during the 1990s. Child care aid, created in 1967, has been universal up to the child's third birthday since 1999. The child care benefit was introduced in 1985 to compensate for the income better-earning women lost due to childbirth. The third program, parental allowance, is the child-raising assistance that was created in 1993 for large families. Family leave and day care arrangements can be seen as means to increase women's participation in the labour market and to help them balance work and family life. No programs exist that would promote men's participation in child care.

### **The Netherlands**

The focus of the Dutch family policy is on assisting men and women to reconcile work and private life and on promoting equal rights and division of paid and unpaid work between partners. In addition, increasing the labour force participation and the economic independence of women are major aims. Family policy programs, especially long-term and short-term leave arrangements and day care arrangements can be seen as means to promote women's labour force participation. The different types of caring leaves have been integrated into one encompassing framework, the Work and Care Act (2001). The number of formal child care places was almost six times higher in 2002 than in 1990. In 2001 two thirds of the 0-12 year-old children who used child care were in informal (paid or unpaid) child care. Children aged four have a right to pre-school education in which 98 % of them participate.

### **Austria**

The equality of men and women has been a consistent principle of the Federal Government since 1999. Women's labour force participation is promoted in Austria and, for example, competitions for family- and women-friendly enterprises are arranged in all federal states. One recent measure implemented that helps in reconciling work and family life is the parental leave reform prepared in 2001 and implemented on 1 January 2002. According to the new regulation, parental leave in Austria lasts until the child is 2 years old whether both parents participate or not. The entitlement period of parental allowance rose. It is received until the child is 2½ years old (3 years, if both parents participate). It also became universal with an income limit of € 14.500 per year. If agreed on with the employer, parents can choose part-time child care leave, which lasts until the child reaches the age of four. The financial compensation (parental allowance) applies only to parents with a child under 2½ or 3 years. The part-time child care leave does not seem to be very attractive: only 4 percent of parents took advantage of it. The first evaluations concerning the share of men taking parental leave indicate no effects either. The availability and quality of child care facilities vary from one federal state to another. The institutional day care providers can be divided into public, private, commercial and non-profit organisations. Ten percent of the children under 3, 73 % of those aged 3-5 and 16 % of those aged 6-15 were in external child care in 2002. In addition to the child and family allowance and tax credits, there are several means-tested benefits supporting families in Austria.

### **Poland**

The state support for families has diminished both in terms of income transfers and family services. Families have become more dependent on the income of individual household members. While both men and women have suffered a lot from the implementation of a free market economy, women experience more difficulties in terms of unemployment risk (incidence, duration, recurrent unemployment). They



are also disadvantageded in pay and promotion. Labour market privileges such as long maternity leaves, parental and child care leaves and other regulations which protect women during pregnancy, delivery of a child and care for small children can also be considered as obstacles to women's labour force participation since along with underdeveloped child care and flexible work patterns make women less mobile labour force. Before 1989 the institutional care for children was relatively well developed, but during the 1990s the number of kindergartens declined by one third and the number of nurseries by two thirds. As a consequence the accessibility of child care places has declined. In addition the costs of care have risen and local authorities have transferred about 30-40 % of the costs to parents. This makes it difficult to combine work and family duties. The proportion of children attending nurseries was two percent and those in kindergarten 38.9 percent in 2001.

The gender inequalities and their determinants have been increasingly recognised in the public debate due to research and activities of non-governmental organisations. However, problems concerning gender equality and gender roles were not highly prioritised by the Polish government. In general, the legal system in Poland provides equal treatment for women and men as citizens and parents in access to work, professional training, and working conditions. The main issue is to strengthen existing law regulations by additional rules to make them more efficient in counteracting discrimination and to extend equal treatment in other domains. Since the mid-1990s some amendments have gradually been introduced (amendments to the Labour Code on direct and indirect discrimination in the labour market, punishment for discriminatory practices, clear statements about an equal treatment in access to work, work contract dissolution, promotion, pay and training). Some measures to equalise the opportunities of women and men were introduced: in the mid-1990s men were entitled to take parental and child care leave and in 2001 maternal leave also, but there are no incentives for them to do so. It seems that the EU pressure to implement anti-discrimination law had some impacts on a recognition a relevance of institutional setting. In 2001 the Government Office of the Plenipotentiary for the Equal Status of Women and Men has been established with responsibilities on implementation of new regulations concerning equal rights of man and woman and monitoring the state activities in this field.

## **Romania**

The communist regime paid much attention to population growth and the integration of women into the labour force. Nowadays the economic standard in Romania is inferior to that of 1989 and this has also been reflected in family policy. Promotion of gender equality has not been a priority for any government of the last decade. There are no explicit programs either that would support women in participating in the labour force. Lengthening the parental leave to two years and the right for fathers to take it as well were two of the few repairing changes in family policy during the 1990s. Although there is a legal possibility to take parental leave, there are no measures to guarantee the professional reintegration of employed parents who interrupt their activities in order to raise young children. Before 1989 women were encouraged to work and leave their children in crèches and kindergartens that were free or almost free of charge. During the 1990s the facilities got worse, while parental costs rose continually. Nurseries were neglected as a consequence of the privatisation/restructuring process and the extension of maternity leave. Today the child care system offers few possibilities to parents to combine work and family. Working mothers are encouraged by the maternity and child protection policy to raise their children at home and not to use the private or public child care facilities.

## Switzerland

The Swiss Confederation seeks to ensure the greatest possible equality of opportunities between female and male citizens. The law is solicitous for women's and men's legal and actual equal standing, particularly what it comes to the family, upbringing and work. In the 1990s the employment of women was promoted by various programs that were supported by the Federal Office for Equality between Women and Men. However, no programs or legislation exist for promoting the reconciliation of work and family life or for men participating in child care. In 2002 no paternity, parental or child care leave schemes existed in Switzerland. There was no real maternity leave either. Women were entitled to a paid maternity leave by individual or collective work contracts whose coverage and duration differed widely. The proportion of children in institutional child care has increased during the 1990s. Thirty percent of children below the age of 15 participated in institutional child care in 2004. The facilities vary widely in their cost and availability between cantons and municipalities. Child care for children under three years of age is highly individualised. It is subsidised by the municipalities and the fees are income-related. Pre-school education (kindergarten) lasts from one to three years depending on the canton and it starts between the ages of three and five.

## Slovenia

In Slovenia the female activity rate and particularly employment rate has been high for more than fifty years. Women and men in Slovenia have formally equal rights and opportunities in the labour market. The majority of women are employed full time, and after maternity and parental leave they return to their full-time jobs. Maternity leave lasts 105 days and parental leave 260 days as full-time leave or 520 days as half-time leave. Till the end of 2001 parental leave was a mother's right that could be transferred to father if agreed to by the mother. Almost 70 % of existing child care facilities were constructed between 1971 and 1985. During the transition years Slovenia has managed to retain most of its achievements in child care attained in the socialist period. Child care is highly subsidised. In the school year 2000/2001 56.6 % of children aged one year and over were in organised child care, 91.3 % of them 6-9 hours per day. The proportion of children aged 1-2 in day care centre programs was 29.1 %, while it was 70.9 for those aged 3-6. The demand for child care is almost completely met.

## Finland

In the 1990s the focus of family policy has been mainly on the development of measures that support the combining of family and work, instead of direct financial support for families. It is included in the Act on Equality between Women and Men in Finland. One aim of Finnish family policy is to give both parents equal possibilities to take part in child care and upbringing. Both parents are entitled to paid parental leave (max. 158 week days). Still, only 2-5 % of fathers take advantage of this possibility and they usually take it for only 1-2 months. After parental leave it is possible to have full-time or part-time child care leave with a child under 3 years of age. This leave is taken by about 60 percent of the families. The family leave arrangements and various child care possibilities can be seen as means to promoting the labour force participation of women with small children. There is, for example, a subjective right to day care for every child. In 2002 32 % of children under school age were in municipal day care, 37 % in domestic care, 16 % in municipal family day care, 4 % in private day care and 11 % in other forms of care.

## 4. Ageing

### Belgium (Flanders)

There is a major concern about the costs of long-term care and pensions particularly when the baby boom generation starts retiring. The low labour market participation rate of elderly workers is also regarded as a problem. For example, lifting the old-age retirement age step by step to 65 years with 45 years of coverage for both men and women and diminishing the use of early pension regulations are means to increase the baby boom generation's active working years. The pension system in Belgium is a system of current income financing ("pay-as-you-go") mainly based on contributions. The full pension is 60 % (75 % for married couples) of average lifetime earnings.

The focus of long-term care policies in Flanders has been on institutional care, but currently the strict focus on local and provincial authorities supplying the services is questioned. Lately the emphasis in public debate has shifted to demand-oriented care, dealing with services supplied by the market, and informal care. The majority of social services for elderly people are provided by the public sector, but more and more services are purchased from private service-providers. About 5 percent of elderly people (60+) live in institutions. During the last decade, the share of elderly people living with their children has decreased considerably.

### The Czech Republic

During the 1990s the social policy of ageing has been developing away from a paternalistic and egalitarian system of social justice in the Czech Republic. The pension system consists of two pillars: compulsory pension insurance based on the principle of solidarity and supplementary pension insurance depending on the voluntary decision of the individual and the competing offers made by pension funds. Plans have been made to reform the current system of a high degree of redistribution among income groups in the near future. The age limit for retirement has gradually been raised. Currently the limit is 57-61 years for women, dependent on the number of children they have, and 62 for men. Due to the high unemployment rate of graduates, older employees' difficulties in labour force participation have been neglected.

During the 1990s a shift in long-term care occurred towards the development of non-governmental providers and improvement of quality. However, the missing law on social services and quality standards is perceived as an obstacle to further progress. Health care is separate from social care, which creates problems in the support of elderly people. Despite attempts to de-institutionalise the care for pensioners, the number of institutions providing long-term care is growing and the demand is increasing. Family members have traditionally been a very significant source of old-age care. However, domestic care is not sufficiently supported: there is a lack of information services, supportive services for caregivers as well as beneficiaries of care. Compared to institutional care, it is underpaid, whether provided by family members or professional care services.

### Germany

Ageing is perceived as a major problem in Germany as it continually burdens the budget of the social systems. The old-age pension program is the most important part of the age-related social security system in Germany. Due to the ageing of the population, the relation between contributors and recipients is becoming increasingly critical. The legal retirement age is 65 for both sexes, but it is possible to retire earlier under certain conditions. Policy makers often express a wish that older people would stay longer in the labour

market, but because of high unemployment not much can be done. The older workers are protected by collective labour agreements, which aim to assure that they are normally the last to be dismissed.

The emphasis of long-term care in Germany is in preventing institutional care as long as possible. The long-term care benefit is payable on three levels depending on degree and frequency of care. It covers both institutional and domestic care. Person in need can also opt to receive a nursing allowance if he/she is cared for by relatives (or other private care givers). The person in care can use the benefit as he/she wants.

### **Estonia**

In the 1990s, the population ageing accelerated, reflecting a rapid fertility decline and a decrease in immigration flows (mortality stagnation has limited the process from the bottom of age pyramid). The ageing process was particularly strengthened by the arrival of large immigrant cohorts which had entered Estonian in the late 1940s and 1950s into old age. The trend of rapid population ageing is expected to progress further in the coming decades. It must be noted that the future ageing process in Estonia, taking into account the absolute expansion of the elderly population, is occurring in the context of a remarkable depopulation. The advancement of population ageing puts considerable pressure on pension and social welfare system. In the 1990s, these pressures was partly alleviated by the increase of statutory retirement age and over longer run the remedy is sought from the introduction of multi-tier pension system. However the benefits of the new system will be available not immediately but after a couple of decades.

### **Italy**

The ageing of the population has received attention mainly due to the increase in the expenditure of pensions. A new pension system was introduced in Italy during the 1990s in order to balance the ratio of pension expenditure to the GDP and to achieve inter- and intra-cohort equity. Several changes were made aiming at, for example, increasing the retirement age, giving a bigger importance to life-time contributions and initiating more flexible exit routes to retirement. The determining factors of a pension are reference earnings and length of insurance in the social insurance program. In Italy families have traditionally been responsible for the care of elderly people. The public expenditure for long-term care is low, 0.2 % of the GDP. Some policies supporting relatives caring for their family members are being developed at the regional level. It is also possible to take three days off from work in order to assist a disabled family member. The programs giving support to disabled or very old people needing at-home care are regionally arranged. Disabled people receive a monthly assistance allowance from the social security system.

### **Cyprus**

The population structure of Cyprus is still rather balanced, but the gradual ageing of the population caused by the decline of fertility requires attention. The legal retirement age in Cyprus is 65. The average age at retirement from the labour force was 62.3 years in 2001. The pension system consists of a basic part and a supplementary earnings-related part. The Self-Employment Plan is a policy aiming to promote labour force participation of persons over 63 years old with a salary under CP 250. Each person can gradually receive CP 800 that can be used to purchase equipment needed e.g. in agriculture, gardening or writing.

The aim of policies concerning elderly people is to prevent residential care as long as possible and to promote their independent social functioning. Traditionally the family had to take care of elderly people

also, but as in the case of children, the state is gradually undertaking more responsibility in order to facilitate women's labour force participation. In order to provide as good care as possible, the government of Cyprus has initiated tripartite co-operation with social partners and non-governmental organisations in the development and delivery of social inclusion programs and policies. Older persons may be provided with domestic care and day care at a local level. Residential care is used only when other solutions are not sufficient to meet individual needs. The domestic care program has been successfully implemented throughout Cyprus. There are governmental, non-governmental and private domestic care providers. Through the public assistance law the government may pay for domestic care and day care services in full or in part. Family members are still an important source of assistance for the elderly and they can be financially assisted for informal care.

### **Lithuania**

In the year 2001 the pension system of Lithuania consisted of a single level: a basic pension, which was a unified amount to all pensioners, and a supplementary pension, which depended on former wages and the state social insurance period. At present, the pension system consists of several levels: pensions that are funded from current contributions and/or taxes, and pensions voluntarily accumulated. The number of people reaching retirement age who have not participated in the social insurance program, and are thus denied an old-age pension, has been growing alarmingly. In 2001 the legal retirement age in Lithuania was 61.5 years for men and 57.5 years for women. The rise of the legal retirement age for men, 62.5 years, was already reached in 2003 and for women the legal retirement age of 60 years will be reached in 2006. Due to the rise of the retirement age, the unemployment level among older people has grown. Unemployed persons in Lithuania who are due to retire within five years are additionally supported with a prolonged period of unemployment benefit. At present, a support program for the working employees at pre-retirement age is under preparation.

The Law on Social Services provides residence in a care home for the elderly for pension-aged persons with a Group I disability, and for people aged 85 without the possibility of being cared for by their children. In Lithuania there are no policies supporting families participating in long-term care. Since 1998 the basic principle of state-developed social programs has been to provide services that enable individuals to live longer at home and retain a higher level of independence. In 2001 there were about 4,200 recipients of services and 800 recipients of care funds.

### **Hungary**

The rise in unemployment has contributed to growing burdens in the pension system: over 3 million people out of a population of 10.2 million receive some kind of pension benefit. The reform of the pension system was begun in 1992 and was changed radically in 1998. The one-pillar system has shifted to a multi-pillar system that is partly funded, instead of the single social insurance system that existed before. The legal retirement age has been gradually raised to 62 years for both men and women. In 2000 the actual average age at retirement from the labour force was 57.3 years for women and 58.5 years for men. The emphasis of elderly care in Hungary is on supporting as many elderly people as possible in living in their own homes in a familiar social environment. Different forms of institutional care are provided to those who cannot live at home anymore. The families participating in long-term care may also receive a care benefit in Hungary.

## **The Netherlands**

In response to problems deriving from the ageing of the population, the long-term financial sustainability of the pension and health care systems is placed high on the Dutch agenda. A higher labour force participation rate would help to pay the costs of ageing. The government's objective is, for example, to raise the net labour force participation rate of people aged 55-64, so that half of that age group would have a paid job in 2030. The basic principles in preventing them from leaving the labour market are the following: forced retirement should be avoided when possible; costs of voluntary retirement should be borne individually; reintegration into the labour market should be encouraged and efforts should be made to make it easier and more attractive to stay at work. The Dutch pension system consists of three pillars: the basic state old-age pension financed by the pay-as-you-go system, employment-related supplementary pensions and supplementary personal pensions, which are funded systems. The principle is that everyone should have an opportunity to build up an adequate pension, which means that people should be able to build up in 40 years time a pension provision of 70 per cent of their final salary.

The recent development in long-term care is the shift in emphasis from supply-oriented to demand-oriented care and from expensive (intramural) to cheaper (semi-mural and extra-mural) forms of care. The aim of the long-term care policy is to support elderly people in living in their own homes as long as possible with the help of social welfare and domestic-help services. Nursing homes and old people's homes cooperate more and more and they offer extra-mural care to elderly people still living independently, such as temporary emergency care and meals-on-wheels. During the past few years a substantial part of the old people's homes has been converted into apartments where people have independent dwellings and pay separately for residency and care. There is no explicit governmental policy supporting families that participate in long-term care for the elderly. However, there are a number of general leave measures which enable people to combine work with a long-term care leave on a part-time basis for reasons of caring responsibilities for partner, parent or child. In addition, the government gives subsidy to centres giving support (information, advice, emotional and practical support) to informal helpers.

## **Austria**

The pension system has been modified several times in Austria due to the ageing of the population and the low average retirement age. For example, in 2000, the minimum age for early retirement was raised. The most important part of the Austrian pension system is the public pension, which is granted to all people who have paid a certain amount of money to the "legal pension insurance". However, there have been attempts to raise the weight of funded systems.

The aim of policies concerning elderly care is to enable elderly people to live in their homes as long as possible. As a consequence, social services have been expanded. According to the 1998 sample census, 68.5 % of people over 60 years old needing care for at least one week are cared for by their family members. Institutions are often regarded as the last possibility: only 3.8 % of people over 60 years old live in homes for the elderly or nursing homes. The Long-Term Care Allowance Act passed in 1992 has improved the financial situation of most people in need of care. It gives a person in care the possibility to choose between long-term care provided by a family member or an institution and "buy" services from them. Its amount depends on the functional deficit and the hours needed for care. Austria has a wide range of community services such as domestic assistance and food delivery services. The importance of semi-institutional services is rising as well. Examples are short-time care and daily care (nights at home).

## **Poland**

Ageing is gradually receiving more attention in Poland. There is a need for an integrated policy on ageing, improvements in care and service provision, development of institutional care and promotion of active ageing. During the 1990s the support given to the elderly was quite generous. The policy of reducing the labour supply through the possibility of early retirement resulted in a rapid increase of pensioners. Due to the steep decrease in contributions to the social security system coupled with its increasing expenditures and the expected acceleration in the ageing of the population, it was decided to implement a reform in the pension system in 1999. The new two-pillar system that is entirely based on individual accounts concerns as such those born after 1968. The legal retirement age is 65 years for men and 60 years for women. For people in certain working conditions early retirement is possible for men at age 60 and for women at age 55. Limiting the possibility of early retirement and eliminating pre-retirement benefits have recently been discussed. It is assumed that the regulations will come into force in 2007. As a consequence there is a need to increase the chances for older workers in the labour market.

There are three main areas of care and services provided to elderly people: support for elderly people still living at home, support for families taking care for the elderly and institutional care. Most of the financial responsibility for public care and services has been delegated to the local level. However, the scarcity of resources considerably affects their provision. The family members of elderly people are a very important source of care. A remarkable proportion of elderly people are living with their children's family. This is partly due to the tradition of strong family ties and partly to undeveloped institutional care. There are no explicit policies supporting the families in care, but families can make use of services provided by social assistants from local assistance centres, different organisations and municipal day care centres.

## **Romania**

The number of pensioners has increased between 1992 and 2000 more than 45 percent. This is due to the natural ageing process of the population and the number of people taking early retirement. The pension system has not encountered any radical changes during the transition period except the increase in the retirement age. One of the problems is that pensions do not provide an adequate income to live on for a large group of pensioners. The elderly people's activity rates increased significantly during the transition period, reaching much higher levels than elsewhere in Europe. The legal exit age from the labour force is 57 years for females and 62 years for males. Nevertheless, the legal age at retirement from the labour market will increase gradually until will reach 60 for women and 65 for men.

Care and service facilities for elderly people are poorly developed in Romania. A large majority of elderly people live independently in their own homes alone or with relatives. Elderly people receive medical and care services in institutions in which the forms of care are not well-developed. In 2000 a new law for social protection of the elderly was passed, which aimed at humanising social work for the elderly and helping them to avoid institutionalisation by receiving care in their homes. Due to the financial problems of the local budgets, the implementation of this law is taking place slowly and with difficulties. There are no policies that would support families participating in elderly care even though the legislation exists.

## **Switzerland**

The pension system in Switzerland consists of three pillars: the old age and survivor pensions, disability pensions and the occupational pension system. The legal retirement age is 65 years for men and 63 years for women. A full pension requires contributions made every year from age 21. There are no particular programs on increasing older worker's participation in the labour market. Neither do any particular

schemes exist for supporting families participating in long-term care or supporting elderly people living longer in their own homes.

### **Slovenia**

Unlike most other countries in transition, the pensions in Slovenia have remained a stable source of income during the 1990s. The pension system has encountered gradual changes in the 1990s: the earliest possible retirement age was raised to 58 years for men and to 53 years for women and conditions for early retirement were made more stringent. The new Pension and Disability Insurance Act, effective in 2000, improved the pension system in terms of horizontal equity; the gender gap in eligibility criteria and benefits was narrowed. This law also introduced penalties for retirement before and bonuses after the full pensionable age of 63 for men and 61 for women. The calculation of the pension base has been extended from a period of best 10 years to best 18 years. The problem of ageing came under discussion in the 1990s in connection with the reform of the pension system as the contributors/pensioners ratio decreased from 2.3 in 1990 to 1.70 in 1992. The pension system consists of three pillars: a public pension, which covers the risks of old age, disability and survivors; collective and individual supplementary pension programs, and voluntary individual savings for old age, mostly in the form of life insurance. In addition, the 1999 act introduced the income-tested national pension, which is granted to a person not receiving any pension.

Individuals mostly pay for their long-term care services themselves (46 % of sources in long-term care). Medical services are paid for by health insurance (38 % of sources), while 13 % of all sources are paid by local communities for people unable to pay the fee themselves. Assistance at home is subsidised in some local communities and an means tested attendance allowance may be paid depending on need. Most people in old people's homes suffer from serious health problems. Apart from families with severely disabled persons (since 2004), families participating in long-term care receive no support.

### **Finland**

The ageing of the population has received much attention recently in Finland. While the age structure of the entire population is still relatively balanced, the so-called "large age groups", born between 1945 and 1950, are approaching their age of retirement. Financing the care and pensions of the growing group of elderly people is an important issue in Finland, as the proportion of people at working age is decreasing. There are two statutory pension systems in Finland that supplement each other: the national pension, which guarantees minimum livelihood and the employment pension, which is earned by wage work and by entrepreneurship. In Finland the average retirement age was 59 years in 2002, but the object is to raise it by 2-3 years during the next decade. The legal retirement age is 65 for both sexes. It is considered important to raise the employment rate of people aged 55-64 in order to secure economic growth potential.

The general targets of policy on ageing in Finland are promoting the well-being of elderly people, their ability to cope as independently as possible and seeing that they receive good care. During the 1990s there was a shift in emphasis towards increasing non-institutional services and at-home-care for the elderly and decreasing institutional care. However, the municipalities have not been able to cover the increased need for at-home-care services. A family or non-family member caring for a senior citizen is supported by a family caregiver's allowance and various social and health services. Currently, only eight percent of persons aged 75 or more live in institutions. Seventy-five percent of this age group live at home without any regular services.



## **5. Interplay between demographic trends and society**

### **Belgium (Flanders)**

There are few direct population policies in Belgium. This is due to the strong legacy of autocratic regimes that pursued a tough population policy. Recently a change in social policy had a rather strong impact on the immigration of asylum seekers. One example of policy effects on demography in Belgium is the considerable rise in the number of divorces since it was made easier and quicker to get a divorce in 1994.

### **The Czech Republic**

At the beginning of the 1990s there was a tendency to abolish policies that were introduced before 1989 and were explicitly aimed to stimulate families to have children. The formerly extensive state support of families was reduced during the first half of the 1990s. At the same time the total fertility rate decreased significantly. Despite the time coincidence of the decrease in state support of families with the drop in the fertility level, it is believed that the changes in reproductive behaviour were more profound. Political upheaval followed by fundamental economic transformation brought about new life opportunities for young people. Conditions for starting a family have changed markedly. Thus, postponement of childbearing should be rather seen in line with the theory of the second demographic transition.

However, persistence of extremely low fertility level may be perceived as alarming. Shift in the government at the end of the 1990s evoked some expectation that family policy would be given more attention. So far the new policy has not arrived to any outcome as regards the fertility level. Introduction of two measures in 2001 have not had any direct impact on fertility. It was confirmed that using the approach similar to one applied before 1990 is not well-founded within the new societal context. The problem of the system of state support of families does not seem to be in its reduction occurred during the 1990s, but in the fact that this system was not adapted to new societal conditions. Measures relating to families only became an element of social policy, thus oriented primarily to low-income families. Besides, government has focused to development of selected means of support, which does not meet the different needs of each family. For example, parental leave arrangements were improved while public child care services for children under 3 years were abolished. Postponement of childbearing seems to have been protracted as favourable external conditions for childbearing have not yet arrived.

### **Germany**

There are several policies aiming at supporting the combination of work and family life, such as a subjective right to child care and the rise in the child allowance. They had no effect on fertility numbers, which was not their aim however. Several regulations in immigration have had an obvious effect on migration numbers.

### **Estonia**

The population policies in Estonia have largely reflected short-term political considerations rather than long-term aims based on knowledge and systematic analysis. Currently the public awareness of population-related problems tends to outstrip the governmental policies.

## **Italy**

Considering the demographic changes in Italy, public policies have been developed slowly. In the field of family policy, fragmentation is high as the local authorities are responsible for many services for children, housing and elderly care. Elderly people are supported rather generously, while young people have difficulties in setting up a family and in balancing work and family life. Unemployment, housing and socially excluded people receive a low level of funds as well. However, in the 1990s there was a new focus on families. Thus far the new policies supporting fathers in participating in child care have not encouraged them to take parental leave, but more time is needed to see if the policies have had an effect. Care of the house and relatives continue to be the family's duty in Italy. To a certain extent this has allowed a lower public expenditure for families. However, family solidarity is meeting new difficulties caused by demographic and socioeconomic changes. Thus far the welfare system has not responded adequately to the new problems and challenges.

## **Cyprus**

Neither research organisations nor the government has yet tried to explain the demographic effects of the policy measures aimed at solving demographic problems. The reason for this is that measures provided for dealing with demographic problems have only been implemented during the last two years.

## **Lithuania**

The development of literally all the demographic processes was changing during the 1990s in Lithuania. The most radical changes are a rapid decrease in fertility, a rise in the number of births out of wedlock, a lower number of marriages, the popularity of cohabitation and changes in migration patterns. Changes such as individualisation that have contributed to the demographic transformations in Western Europe have hardly been the originators of the changes in Lithuania. Instead, the deprivation and serious troubles in the livelihood of individuals, caused by socio-economic changes and the deep economic depression in the first half of the 1990s, have contributed to the beginning of postponement of family formation and childbearing as well as the decrease in marriage and fertility. However, in parallel the westernising and liberalisation of the society began and contributed to the changes in family formation. It was accelerated by the intensive short-term emigration of (mostly) young people searching for jobs abroad. It could be assumed that the rapid socio-economic changes of a market economy were merely imitation features of the family transformation, still giving it a strong initial push. The later changes such as strengthening the market economy rules and changes in the lifestyle of individuals have predetermined the beginning of fundamental changes in the family institution.

## **Hungary**

The rich pro-natal family policy measures before the 1990s have contributed to the cessation in the decrease of fertility and even raised completed fertility to nearly 2.1. The first half of the 1990s was much better in Hungary compared to other former communist states, where fertility decreased more rapidly. This might have been due to the allowances that remained, although their real value decreased due to high inflation. The decrease of fertility became more rapid after 1995, when the Bokros package abolished the child care benefit (restored in 2000) and reduced the maternity allowance as inflation simultaneously affected wages and the real value of the family allowance. It seems that both the period of generous family policy before the 1990s and the negative effects of the Bokros package have had an impact on the reproductive behavior of people in Hungary.

## **The Netherlands**

The Dutch government does not have intentions to directly interfere in fertility behaviour. Nevertheless, the policy on combining work and family life may also affect fertility behaviour. At least, it seems to have affected the labour force participation of mothers with a partner and a child, which has almost doubled during the 1990s to 57 % in 2001, although it might also be the case that first the labour force participation of women increased, then followed by an increase in measures supporting this development. However, in a study done in 2000, in which Dutch men and women were asked about the consequences of the improved child care facilities for family planning, the effects seemed to be limited.

## **Austria**

Although Austria has been one of the leaders in Europe in promoting child upbringing and childbearing in the 1990s and early 2000s, no visible demographic effects have been seen. The development of measures may still have prevented a stronger decline in fertility. Recently, the change in parental leave allowance has increased the total fertility rate from 1.33 in 2001 to 1.40 in 2002. The policies can also produce unintended effects in demography. For example, the extension of parental leave in 1990 favoured women giving birth to a second or higher-order child: it caused an increase in the tempo of childbearing. Another example of unintended effects is the abolishment of the birth allowance in 1997 that caused a transitory rise of the birth rate in 1996. The new migration quota regime that was implemented in 1993 considerably reduced the number of immigrants.

## **Poland**

Reducing the financial support for families and provisions of service along with changing labour market conditions have contributed to changes in family-related behaviour. This is also confirmed by several surveys, which indicate that the rising costs of children, instability of income, housing difficulties, labour market demands and threats for working mothers (rising competition, unemployment risks, an inflexible work schedule and shortages in institutional care) are reasons to postpone a decision about having a child or for staying childless. The experts on demography are convinced that a rise in fertility cannot be expected without a stable population policy that aims to reduce obstacles to starting a family. Two family policy programs have indeed been formulated in 1997 and 1999, but they remained mostly at the level of declarations. Their measures could not overcome the basic barriers to family development. A lack of a reasonable governmental population program has led to the preparation of an independent proposal for a population policy under the auspices of the Government Population Council. It is currently being debated among experts.

## **Romania**

The considerable economical changes during the transition years have had an impact on demographic development. The lack of financial resources has had direct influences on fertility, which has decreased to a very low level, and to the rise of mortality. For example, the child allowance, which had been the major source of income for families with many children, became insufficient as a consequence of inflation. The liberalisation of abortion and use of contraceptives has affected fertility as well. Some researchers state that there is no use forming well-defined demographic objectives in Romania until economic growth has begun.

## **Switzerland**

No causal assumptions can be made between population policy and demographic changes but they mutually respond to each other and form a complex system of dynamic interdependencies. Following are some examples of possible interdependencies between the national welfare system and demographic developments in Switzerland. The restrictive immigration and naturalisation policy has had an influence on the age composition and life expectancy of the population. Via value change it has also had a possible impact on the acceptance and tolerance of new living arrangements and influenced the recent polarisations in household forms. The liberal trajectory of the Swiss social policy may have had an effect on polarisation that has occurred between conservative and modernised attitudes. The liberal policies may also have had an influence on the structure of obstacles and barriers related to demographic behaviour. The individualization of life has also had an impact on demographic development. A high level of restriction, barriers and thresholds may lead to a forced postponement of childbearing or to childlessness. It can be argued that the underdeveloped family policy of Switzerland has influenced the timing of births and had a negative impact on the number of children of higher parity.

## **Slovenia**

Family policy measures, for example, the highly subsidized child care services and long parental leave with full wage compensation, have not had an impact on the fertility level in Slovenia. However, the policies and measures may have prevented an even worse situation from developing.

## **Finland**

Studies carried out lately in Finland indicate that certain family policy-related income transfers may affect families' possibilities to have the number of children they want. Lack of economic support was found to be one of the most common reasons for hesitating whether to have more children among couples who already had children. Persons who did not have children felt that future uncertainties, like those related to their financial situation, employment or partnership, were the most common reasons for hesitation. Explanations given for the relatively high fertility rate in Finland, compared to many other European countries, are the range of family policy measures available.

## **6. The mass media and population events**

### **Belgium (Flanders)**

One of the main topics in the mass media in year 2003 has been the problem of ageing: the early pension regulation, pension age and the cost of ageing to the social security system. Also the issue of combining work and spending time with one's family has aroused debate. A voting right for migrants was a hot topic as well and it led to the old debate on the integration of migrants.

### **The Czech Republic**

The extremely low fertility level was the main topic in the media in 2001. The measures for preventing depopulation were discussed: whether to try to promote growth in migration or in fertility levels. There was a continuous debate in the mass media based on published projections of demographic change and connected ongoing pension reform.

## **Germany**

In 2002 family policy was less frequently covered in the press. The main topic in the mass media was the new legislation on migration. Before that Germany never had explicit legislation on migration. Another topic was the shrinking and ageing of the population in Eastern Germany as a consequence of the labour market-related emigration of younger people to Western Germany. Also ageing and the “inversion of the population pyramid”, with fertility decline as an explaining factor but not yet as a main topic in itself, were major topics.

## **Estonia**

Greater interest of mass media in demographic processes could be desirable, however, from time to time issues related to the population data, low fertility, population ageing and foreign-origin population have caught the attention by journalists.

## **Italy**

One of the topics that have been dealt with in the media is the ageing process: a need to change the rules of retirement and the financial problems of the social security system. The decline in the number of births and increasing immigration, particularly from eastern countries, are also problems discussed in the media. Issues that have been at the centre of public and political discussion are the reform of the pension system and of the labour market, poverty among families and the sustainability of the health care system.

## **Cyprus**

One of the main topics discussed in the mass media in 2001 was the declining birth rate. In particular, the fear of depopulation of the Greek Cypriot community has received attention, as the population of the Turkish Cypriot community has simultaneously been increasing. Another topic was the reasons behind the scarce number of large families and the incentives that would promote having several children. For example, the child allowance is a benefit that is targeted to families with at least four dependent children.

## **Lithuania**

One of the main topics in the mass media was pension funds: the fiscal deficit of “SoDra” - at that time the single state-run pension fund - and the new pension reform project. Regarding youth, the biggest issue was the reform of higher education: tuition fees were about to be introduced to institutions of higher education, but the law did not pass. The issue of declining fertility was discussed in connection to its impact on educational policy: the need of teacher re-skilling and restructuring of the systems of higher education. Improving loan conditions for families when buying property was one of the hot topics as well.

## **Hungary**

The inhabitants of Hungary are informed about the decreasing size of the population and they hope that stronger support for families with children would be available. However, most of the media rarely pays attention to family support systems or mortality issues. The topic that has received much attention in the media is the possibility of promoting immigration.

## **The Netherlands**

One of the main topics in the mass media around 2002 in the Netherlands was ageing. For example, pension programs costs, the quality of elderly care, raising the retirement age, and increasing the labour force participation of people aged 55-64, women and ethnic minorities were topics that were discussed. Improving the quality and increasing the number of child care facilities were issues connected to the combination of work and care. Other issues were the overburdening of women who are combining care with a paid job and the measures that would encourage men to do more unpaid work. Possibilities to interrupt or reduce working because of care duties, and the work obligation of single mothers were other main issues. In addition, issues concerning migration, for example, integration (inburgering) of new arriving migrants and old-comers, immigration as a solution for the ageing problem and policies to restrict immigration, were among other topics discussed.

## **Austria**

The reform of the pension system was the biggest issue under the topic of ageing. The possibilities for financing the ageing of the population, for example, with private pension plans, lengthening the years in the labour force and narrowing the possibilities for early retirement were discussed. Health is also an issue, as men die too early. The systems change in the parental leave allowance was discussed to a great extent in 2001. Then only working parents were entitled to it. As a consequence of the KBG act in July 2001, the allowance became universal in 2002. In conjunction with this debate, the low fertility, few marriages and many divorces, the need for more children, the burden mothers have of “two working shifts” and the lack of day care facilities were discussed. Other issues in the media were basic security for families and children as a factor of poverty. Economic issues, methods of migration management, integration and a new asylum law were the issues in the media related to immigration.

## **Poland**

The demographic issues in the mass media are strongly related to the changes in law regulations. In 2001 the maternity leave was prolonged in Poland and fathers became entitled to part of it. These changes were broadly debated against the background of family-related policy measures, declining fertility and possible labour market effects of the changes. Amendments in law regulations concerning equal treatment of men and women in the labour market raised discussions on discriminatory practices in the labour market, perception of gender inequality etc. The pension reform in 1999 increased mass media interest in ageing and its effects on financing old-age pensions. Limitations on early retirement and equalising and increasing the retirement age for both sexes still interest the media. Conditions for combining work and old-age pension were also added to the agenda. Other reasons why demographic issues were given mass media publicity in 2001 were the preparations for the national population census of 2002 and the First Demographic Congress in September 2001.

## **Romania**

One of the main topics covered by the Romanian mass media was poverty among elderly, more precisely raising of pensions in order to cover the inflation rate and the decision to introduce domestic care services for elderly people. Improvements in school transport in rural areas, child protection of abandoned children and the state allowance for children were other topics discussed. Social problems regarding the minimum income and housing problems were also topics covered in the press. Reactions to fathers' possibility to take parental leave were mostly negative.

**Switzerland**

Population ageing, in particular the financing of the old age pension system, was a burning issue in Switzerland in 2002. Family issues, including the improvement of gender equality, were also central topics in the mass media. Migration, including asylum seekers and the integration of foreigners, always receives much attention in the media. Particularly the political debates on new laws on migration stimulated public discourse.

**Slovenia**

Several issues concerning demography and social policies were discussed in the media in 2000. The main topics under discussion were the low fertility rate, depopulation and ageing. Due to these problems an awareness of the significance of children for the future of society has received more attention in the media. The acts and draft acts that were discussed in 2000 were related to the raising of minimum income, changes in family benefits and parenthood protection, changes in the child tax allowance, pension and disability insurance (the act was passed in 1999), and equal opportunities for women and men. The costs of child care were discussed as well, especially the increased and high full cost of services due to their improved quality.

**Finland**

One of the main topics in the mass media in 2002 was ageing: how to raise the low retirement age and how to finance the costs deriving from the ageing of the population. Other issues discussed were organising afternoon care for school-aged children and the source of funds for arranging pre-school education for children aged 6 (decision: government and municipalities: 50/50). The media issues concerning immigration were the high unemployment rate of immigrants and the role of Estonia as a sending country after gaining EU-membership. In regard to this debate in the media, it was decided that labour force immigration from the new member states will be restricted for the first two years of membership.