

# PRONATAL POPULATION POLICY IS NO LONGER ENOUGH – A COMPLEX FAMILY POLICY IS NOW ESSENTIAL <sup>\*)</sup>

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**Abstract:** The current – and according to demographic forecasts the future – population situation in the Czech Republic should lead to a wider discussion about how to interpret the changes in reproductive behaviour in the past twenty years, what their consequences will be, and how to respond to them. However, discussions without looking for solutions cannot be the agenda of a complex science like demography.

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The current and, according to demographic forecasts, future population situation in the Czech Republic requires, in my view, that a wider discussion take place on how to interpret the changes in reproductive behaviour that have occurred in the past two decades, what their consequences will be, and how to respond to them. Unlike two to three decades ago, there is now an increasingly stronger link between two basic demographic processes: fertility, in the sense of the reproduction rate (and possible influential factors on it), and mortality, in the sense of rising life expectancy (and in relation to the pension system). These are two ends of the same stick, and in the long-term outlook they can no longer be assessed separately in this country. Population growth (decreases) by natural change will be relatively insignificant compared to the changes in age structure and the subsequent changes in the gross social capital of the total population.

In this deliberately sharpened treatment of the problem, which is aimed at generating debate, and not just among demographers, I will present my own ideas about how to approach and where lie the solutions necessary approaches to and proposals for solutions. However, such a complex science as demography cannot rest at discussion and not look for a way out of this situation.

**Population policy**, according to the *Multilingual Dictionary of Demography* (2005), by various measures attempts to influence population change, or within the framework of such policy the effectiveness of these measures is studied (entry 105–2), and does so either in the form of pronatalist policies, aimed at increasing fertility, or antinatalist policies, aimed at reducing the number of births (entry 930–4, 5). There is no definition, or even mention, of family policy in this dictionary. The concept of family policy entered the Czech demographic landscape through the activities of the National Centre for the Family (Národní centrum pro rodinu) in Brno (*Rodina v ohnisku zájmu* – Brno, 2002, director J. Zeman). I consider **family policy** to be the attempt through various social measures to create favourable conditions for the formation of legal marital unions and their existence (duration) as the place for reproduction within the family (having children) and simultaneously for the creation of human (social) capital by raising and educating children in the family. Thus, family policy is always about families with children and about caring for and raising children in the family. In this re-

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<sup>\*)</sup> This article was published in *Demografie*, 2009, 51 (4), pp. 274–279. The contents of the journal are published on the website of the Czech Statistical Office at: <http://www.czso.cz/csu/redakce.nsf/i/demografie>.

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'third and fourth children go free' could be set up – e.g. in public transit, in cultural institutions, at zoos, water parks, pools, etc. Such arrangements could be implemented at little financial cost, but would have enormous psychological impact and would encourage a sense of pride in parents that the work they do raising their children is valued by the public. This relates to the provision of various social services – free of charge, subsidised, and fully paid for.

#### **6. A potential concept for the retirement security of elderly parents and of elderly who did not contribute to the formation of demographic-social capital**

In this country and other countries the old-age pension system long in effect for people upon completion of their economic activity has been based on the length of time a person has made retirement insurance contributions in the form of (tax) deductions from their wages and the level of income in previous years. A generation of social insurance payers essentially pays the old-age and other pensions of the preceding generation of parents. This well-functioning system was made possible by the fact that the vast majority of the population participated, total fertility remained at a level of 2.1 births per woman, and life expectancy grew only gradually: the age structure deteriorated only slowly, and with the low level of education and qualifications the creation of the necessary social capital at that time was not at risk. However, as soon as this situation changed, when the share of people participating in reproduction was no longer large enough, the total rate of reproduction remained low, and the life expectancy quickly began to rise, then after 1990 an accelerated pace of population ageing took off in this country, with demographic forecasts predicting an ominous rise in the share of seniors in the population (to as much as 22–24% and 30–33% by 2050) and a decrease in the creation of human capital in the numerically decreasing population of children and young people. This can only be partially offset by further increasing the retirement age to 70.

While some people – parents with children – invest a substantial portion of their work income and life opportunities into caring for and raising children, others can take the 'savings' they make by not having children and spend them on various forms of retirement insurance and investments, etc. This generates a pronounced imbalance between these two groups of people that is buoyed up by pressure from liberal economists that each person's future retirement pension should be determined by the long-term amount of the financial resources set aside over the course of the entire period of their economic activity (while maintaining the 'state' retirement pension at just a minimum level).

Some economists and demographers looking beyond the horizon of the next electoral term have increasingly drawn attention to these two different population groups and their participation in the formation of demographic-social capital in the future. Therefore I propose that the fact of this differing participation be taken into account when establishing the conditions for paying and calculating the amount of the old-age (and derived) pensions. In practice that would mean that to the pensions of parents be added their previous contribution to the creation of demographic-social capital, while from the pensions of people who did not have children their non-contribution would be deducted to a corresponding extent, because they had the opportunity to save much more for their retirement than parents did. This of course would require a long-term process of creating a new system over a long period of intergenerational equilibration – but some day it will be necessary to conceptually design and bring about this process. Naturally it will run up against a lack of understanding and resistance from those 'hurt' by the system, of which there will be an ever larger number in the population (according to forecasts the number of two-parent families with children will especially decline). In my view, not only will it be necessary to cover the negative effects of population ageing by making the necessary differentiation of prior participation in the creation of demographic-social capital. A reduction in the formation of demographic-social capital, i.e. the decreasing number of children and young people, will have an impact on all of society.

- the change to the duration of **parental leave** should also allow for different length and thus also different financial options, with the possibility to make a change (with a financial ‘adjustment’) and should reflect whether there is an interest in or possibility to place the child in a nursery or preschool (thus taking into account the different conditions for the existence and capacity of childcare facilities in urban and rural communities);
- the specification of terms should take into account the number of children in the family, their ages, and of course devote special attention to the care conditions for disabled children, and under this complex rearrangement of terms children under the age of 1 would only in exceptional instances be placed in a nursery and with a loss of benefits to the mother, and children under the age of 2 should not be sent to preschool;
- to tie the length of maternity and the maternity allowance to a fee for placing a child in a facility (including compensation for cases when use of such a facility is impossible, i.e. when there is no such facility in the area or limited capacity – reflecting the difference between urban and rural communities), and to create comparable conditions for the coinciding parental and working roles of mothers, and of fathers, so that the standard of childcare overrides the interest of the mother in returning to work quickly, in order to ensure that the conditions mothers, or fathers, have for combining their parental and professional roles are as comparable as possible – with the proviso that the standard of the child’s care takes precedence over the mother’s interest in returning to work quickly;
- implement similar arrangements for families with children where the parents are in a consensual union and for lone parents, accompanied by the creation of a monitoring system (e.g. to ensure the child is not permanently left in the care of other persons);
- In response to the non-existence or inadequate capacity of preschools organise neighbourhood ‘mini-schools’ for children of a similar age (for a maximum of 5–6 children) in suitable housing conditions in the home of the mother of one of the children, with verification that the premises conform to health and care standards and that the fees for the service are financially manageable, potentially granted some subsidy proportionate to the level of costs per child in a preschool, and attend to ensuring that the service sees to the child’s physical and mental development as well as providing supervision;
- for urban centres and their hinterland areas within reach by transportation calculate at least a rough projection of the necessary preschool capacity approximately 3–5 years in advance, or even longer in the case of larger regional units, and thus substantiate the need or lack thereof to construct more facilities. This is the only way to respond effectively and in advance to possible fluctuations in the number of children in different age groups.

#### **4. Child benefits**

- determine the potential amount of these benefits and increase them based on the objective family expenditures on children, differentiate them based on the age of the children and if possible the number of children in the family (e.g. with a provision that in the future these objective expenditures on a third or fourth child should be covered out of social resources – but not those of higher-order children);
- establish and monitor as a condition of receiving child benefits that the child be in regular school attendance with adequate results and requisite health care, both of which can be monitored by school administration and paediatricians; e.g. mandatory vaccinations, regular checkups two to three times a year, etc.;
- do not pay benefits for any period during which a child is placed in a hospital or children’s home, do not pay benefits retroactively for any period during which the family and children were living abroad, for instance, if they do so to apply for asylum in another country, and ensuring material care from the ‘recipient’ country.

#### **5. Other material and associated psychological measures**

To help emphasise the work parents do in caring for and raising children arrangements like

adopting populist measures at several-year intervals just before the elections, but rather entails that all the political parties adopt a long-term course of action that is widely acceptable to families with children (even if it encroaches on others, without children) and arises out of an understanding of how seriousness this situation is. The concept needs to encompass various optimal solutions tailored to different types of young families with children and especially mothers according to how many children they have, the parents' education and qualifications, wage level, position in the labour market – including women who choose to remain at home with the children (permanently or temporarily when the children are young) – and whether they live in a city with a comprehensive infrastructure or in a smaller community or in particular a rural area, with poorer transportation conditions, and so on. Instruments should be developed that limit abuse (control mechanisms) and prevent people from placing their children in institutions or in the permanent care of grandmothers or 'luxuriously' paid nannies; in short, a concept that in every respect establishes responsibility for children even over some interests of the parents. Children, and especially small children under the age of 2, have a right to parental care.

The concept would have to engender **maximum stability**, envisioning further positive development and only rarely any curtailment. It would have to have an accompanying psychological effect, so that those young people who want children can have as many as they want with the level of care they want, and so that those who do not are in no way pressured or forcibly motivated to have them. People can adapt their way of life and practices to the changing external conditions in society (e.g. the big changes in consumption, prices, etc.), but families who in specific social conditions decide to have, care for, and raise children, with everything that that entails, cannot later relieve themselves of their responsibility for those children.

### Family policy areas

In my view, the following problem areas in the lives of families with children are critical components of any family policy concept:

#### 1. Housing for young families

- start-up rental flats, perhaps smaller and less expensive, leased for a limited term of, for instance, 8–10 years;
- favourable interest rates on building savings (to purchase housing) for families with children;
- re-introduction of the construction of cooperative housing managed by municipal authorities with the option of a long mortgage repayment schedule (if there is a real interest in and the right conditions for such an option).

Activities in this area should be the domain of the municipal authorities.

#### 2. Birth allowance

- to be increased only after there has been a verified rise in the objective costs that follow the birth of a child (ensure it contains no motivational element for having children).

#### 3. Care for preschool-age children

In this area, it is necessary above all to be guided by the interests of small children (a child's right to parental care), and the return of mothers to work should give way to this interest. That means:

- formulating **maternity leave** options of different duration and an allowance set according to the duration of leave, with a **minimum** leave period (or the corresponding paid paternity leave) during which a uniform allowance is paid regardless of a person's prior work income. That leave period should not be less than one year, and should not ever be substituted by care from a paid nanny and only in extreme cases by care from a grandmother or nursery care;

erwise use for themselves. The value of their ‘lost’ opportunity costs is high. By caring for and raising their children, they are ‘creating’ the workforce of the future and investing them with human capital that will one day also serve those who did not participate in this process. Even today’s singles and partners who opt not to have children will one day claim entitlement to a share of the social resources to which they contributed less than those who ‘shared’ a certain part of their life with their children. This relates especially to the senior years and especially the latter part of those years in a person’s life, once a person is no longer fully or at all able to take care of him/herself.

In the days when more than 90% of young people got married and the rate of childlessness among young families was low, as was the rate of extramarital births, the family was the only, uniform lifestyle model for the vast majority of young people, almost without competition, and with only some debilitating factors. When this was the situation – and in this country that was almost right up until the Velvet Revolution – there was no need to create any family policy. There was little variability of living conditions, and people’s lives differed little by education levels.

However, after 1990 the situation began to change quickly. The opportunities for higher education and qualifications and to compete for success or directly for career (jobs and salaries) grew, and **the family with children wound up in a tough competitive environment**. Marrying and having children at the very least entails restrictions on the conditions for achieving personal fulfilment and constitute a significant change to a person’s previous way of life of complete personal freedom and no responsibility for a partner or children. For a substantial share of young people, remaining free of such commitments has become the ideal, either in a permanent or temporary outlook, even beyond the age of 30: as a result more than one-third of young people do not marry, and if they do then more often than ever before they remain childless or have just one or at the very most two children. This puts parents with children at a significant and long-term disadvantage in every respect.

According to research, young people place a high value on marriage and having children. The reality, however, is different, either because their expectations are unrealistic and consequently their life plans unattainable, or simply because in studies young people tend to say what they are expected to say. Marriage with children has become a future of little appeal for many young people, and especially for increasingly more educated young women more strongly pursuing their own interests. A negative role in this is also certainly played by a system of social assistance that is unstable and inadequate because the forms and levels of assistance it provides are relatively undifferentiated (e.g. the child allowance, which is sometimes more like a social benefit for the poor), and by the difficulty of obtaining housing, and recently also by the rise in unemployment among young people, which forces them into more cautious demographic behaviour. The living conditions of young people have been completely transformed within a short span of time, and this has been reflected in a decrease in nuptiality intensity and especially a fall in total fertility from 1.3 to 1.4 children born per woman.

Demographic forecasts predict not only that future generations will have fewer children but also that there will be a gradual decrease in the number of families and the number of families with children especially. A narrowing of the reproductive base will necessarily lead to a shortage in the production of social capital, and the amount of such capital in the population will stagnate or probably decline, which in the long term will lead to the ‘impoverishment’ of society. This societal decline will be a heavy price to pay in the future for what the current population is saving today by having fewer children. The resulting demographic debt will grow, and it will be impossible to stop even by importing labour or ‘brains’.

Although the current economic situation will undoubtedly impede the adoption of an effective family policy, I believe it is essential above all to formulate and debate a comprehensive policy concept and search for possible ways of implementing it. This of course does not mean

gard, children are at the centre of family policy, and parents are the intermediary in the relationship between society and children. Yet, the quantity of children and generated social capital cannot be set in opposition or distinguished or be viewed as offsetting or compensating for each other; the two must form an integral whole. I regard a crucial aspect of family policy to be prioritising the fulfilment of the needs and interests of children in terms of childcare and child-raising, even above the interests of the parents (their self-fulfilment, success, careers; see also maternity and parental leave).

No pronatalist population policy, and even less so any family policy, can of course be limited just to the provision of financial benefits with a view to increasing the material living standards of parents and by extension their children or just to creating opportunities for obtaining particular childcare privileges. Family policy has an especially wide scope, stretching from the marriage of potential parents right up to their death (or divorce).

The precondition I proceed from is that family policy forms a significant part of the state social policy, that it is rooted in a social framework, and that on the whole it is covered financially by tax revenue, specifically, by means of a redistribution between people living as families with children and those living outside a family, without children, and as singles. I define people living in legal families to mean married parents caring for dependent children without their own income to a maximum age of 30, i.e. until completion of their professional qualifications (so not singles in the care of their mothers). When a child begins to earn his/her own living or leaves the parental household the family undergoes a modification, a change in its position. A specific situation is that of lone-parent family households with a dependent child (children): a single or divorced mother, a divorcee with a child, or even unmarried cohabiting partners with a child (children). While the latter also constitute a family, it is a much less stable form of family, usually without children or with fewer children than in a legal family, and in such families the interests of children are very often not thoroughly respected (in particular there is a greater likelihood of alternating fathers, a higher risk of abuse of assistance). If partners are unable to publicly acknowledge responsibility for each other, will they be able to demonstrate their responsibility for bringing up children? This understanding of family policy also relates to the issue of the position and life of elderly parents (i.e. parents formerly in the above-defined legal family unit), including how their pension is calculated, the amount calculated at the end of their economic activity, and the form of life they live thereafter – permanently independent or as part of the wider family, or in some kind of institution, whether private or public, in a retirement, seniors', or nursing home.

### **The need to adopt a wide concept of family policy**

In my view, family policy should not be viewed as a form of social engineering, as a kind of manipulation and restriction of people's freedom to exercise their own judgement in the important decisions they make in life. The decision to have children and give them a piece of one's 'self' is a sign of acknowledgement of parental responsibility and not an expression of the desire to obtain and live off some kind of 'state assistance'. The population situation will force countries with rapidly ageing populations – declining reproduction and rising life expectancy – to establish a positive asymmetry through a family policy that benefits families that have children, and thus create demographic and social capital, and at the expense of those who by their own choice do not take part in this reproduction.

There is a misleading theory that every responsible person should do what they can afford to do with their income (activities, education, intellect, etc.), and that children should be had by those people who will be able to look after them mainly with their own resources and with a minimum of social assistance. Parents who care for and raise children limit the income available to them for personal consumption, lose some of the conditions for achieving personal fulfilment or success, and give up a substantial amount of free time that they could oth-

I believe that a long-term concept for and gradual implementation of a reformed pension system should take these perspectives into account, even if the circumstances at present are not auspicious for making such changes.

## Conclusion

Family policy needs to establish conditions that will make the change in the age structure of the population and the capacity of social capital in society bearable. I write ‘bearable’ because auspicious would be to venture too far: the right time to successfully implement and achieve such a change already occurred in this country in at least the past ten years. However, if with its population the Czech Republic is to remain viable in the group of smaller European countries it has no other option. Our grandchildren and great-grandchildren will one day find it difficult to understand the current inaction of their parents and grandparents once, without any possibility of rectifying the situation, they will have to reap the bitter, seedless fruit sown during the lives of generations in the 20th century that ignored the increasing demographic-social debt that led to the impoverishment of society as a whole and consequently to the stagnation of the living standard.

In a democratic society it is possible to prevent the situation where some children are born without parents who assume the requisite responsibility for their care and for raising them and without being invested with social capital. That is all the more why it is necessary to establish conditions that help parents for whom children represent an important and joyful life value and are an important part of their personal fulfilment and of the intergenerational transmission of traditions of a good education, a cultural way of life, or even religious faith. The old proposition that ‘the nation lies eternal in its children’ is acquiring entirely new significance in the 21st century.

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