

# The costs of raising children and the effectiveness of policies to support parenthood in European countries: A literature review <sup>[1]</sup>

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## AVAILABILITY

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## Excerpts from introduction

The Communication on "The demographic future of Europe –from challenge to opportunity" (COM (2006) 571final) approved by the European Commission on October 2006, describes the state of demographic change in the European Union. Notable findings are that the average number of children per woman is low, well below the replacement rate of 2,1 required to maintain population size in the absence of immigration. The communication also points to the effectiveness of family and other policies in creating conditions supportive of those who wish to have children.

The importance of creating conditions favourable to having children is also illustrated by the 2006 Euro barometer on Fertility and Aging, which showed that in general, Europeans (both women and men) declare a wish to have more children than they effectively do have.

Following the communication, the European Council announced in March 2007 the creation of a European Alliance for Families which will be a platform for exchanging experience and good practice between Member States. In the recent Communication —Promoting solidarity between the generations<sup>[3]</sup> (COM (2007)244 final) adopted on 10 May 2007, the Commission set out how it intends to support this Alliance. The Council presented its views on the Alliance in conclusions adopted at its meeting on 30-31 May 2007. One major purpose of the Alliance is to help Member States in modernizing their policies aimed at supporting parenthood.

Three main forms of support for families were identified in the Commission Communication of May 2007:

- compensation for the direct and indirect costs associated with the family (benefits or tax relief for those responsible for children or other dependent persons),
- services to parents in the form of education and care for young children, care and supervision for older children and, increasingly, services for dependent people in an ageing society,
- Organization of working and employment conditions (appropriate work schedules and leave) and access to services at local level.

Both the Communication on intergenerational solidarity and the Council conclusions of May 2007 insist strongly on the importance of measures aimed at supporting families in order to enhance the reconciliation of work, private and family life. Indeed, allowing more mothers to remain in employment while raising children could have a major impact on families' income, thus reducing significantly the indirect costs of parenthood. The modernization of policies supporting families is likely to be crucial, not only to allow Europeans to have the number of children they wish to have, hence contributing to European demographic renewal, but also to reduce child poverty, which is a priority item on the agenda of the Open Method of Coordination applied to social protection and social inclusion, and to promote equal opportunities for women and men, for parents and for children from various backgrounds.

The modernization of family policies is also crucial for the success of the Lisbon Employment Strategy, which will depend to a large extent on a higher level of participation of women in the labour force

The purpose of this report is to produce an overview of available knowledge about the following issues:

- the costs (to parents) of parenthood and of raising children in European Countries;
- the effectiveness, in the short and long term, of various policy measures in avoiding or compensating for those costs;
- the impact of different policy instruments aimed at supporting families according to various policy objectives, e.g. achieving family projects, reconciling family and working life, reducing child poverty, raising the levels of education and well being of children, and increasing equal opportunities.
- the wider economic and social costs and benefits of policy interventions in support of families.

**Region:** Europe <sup>[3]</sup>

**Tags:** cost <sup>[4]</sup>

policy <sup>[5]</sup>

family <sup>[6]</sup>

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