TOWARDS PRONATALISM – BALTIC FAMILY POLICY IN EUROPEAN COMPARISON IN 2002 AND 2010

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ABSTRACT

The majority of comparative analyses of family policy have been oriented towards western European countries and only very few have included Baltic and eastern European countries. The aim of this paper is to analyse family policy in Baltic countries in European comparison about ten years after regaining independence, in 2002, and in 2010. Family policy is divided into two categories for analysis: 1) support for families from around the birth of a child until the first birthday of the child, pronatalist policies; and 2) child well-being policies, support for the family when the child is older. All policy data are standardised according to the relative wealth in the particular country. Results demonstrate that after ten years of country specific family policy processes, Lithuania developed a very specific pronatalist family policy type compared with Estonia and Latvia. In 2010, Estonia and Latvia also obtained a more pronatalist approach, but the Baltic countries did not belong to any one particular crystallised family policy group.

INTRODUCTION

The aims and practices of family policy vary in different countries. Data from the United Nations database shows a constant increase in the number of European countries with pronatalist family policy rhetoric, but only less than half of countries reported that the direct aim of their family policy was to raise fertility rates (Ainsaar, 2009a). The other aims are related to the maintenance of fertility rates, gender equity, family well-being, etc.

Starting from the beginning of the 1990s, the three Baltic countries transitioned from inherited Soviet social policy to a new welfare mix. New social policy solutions were the outcome of the impacts of several sources: legacies of the past, left or right-wing movements, the influence of international agencies, cultural differences, attitudes of the elite and public attitudes (Aidukaite, 2009; Aidukaite, 2004; Stankuniene and Juškaite, 2009; Eglite, 2009; Ainsaar, 2009b). The development of family policy in the Baltic countries in the early 1990s has been previously analysed by Aidukaite (2004; 2006), but the previous analyses did not present a systematic overview of the status of the Baltic countries in the broader European policy family policy system. Now, there are still only limited studies about family policy in the Baltic countries in international comparison.
Most of the studies present only fragments of family policy. For example Kangas (1999) compared maternity and child allowance durations and monetary benefit levels in 22 European countries, including the Baltic countries in 1997. Pascall and Manning (2000) analysed in rather non-systematic way gender pay ratios and family allowance benefits occasionally in some Baltic countries in international comparison. Several authors (Saint-Arnaud and Bernard, 2003; Esping-Andersen and Micklewright, 1991) have pointed out big differences in GDP, employment structure, and social insurance provision in eastern Europe, which made fair comparisons of eastern European countries with other developed countries complicated. The analyses are also theoretically interesting. Several authors (Gauthier, 2002; Leibfried, 1992; Castels and Mitchell, 1993; Gornic, Meyers and Ross, 1997) argue that classic groups of the welfare state regimes of Esping-Andersen (1990) do not fit family policy analyses, therefore leaving open the classifications according to family policy types. Although the primary aim of this paper is not to provide a comprehensive overview of family policy types in Europe, it leads to some preliminary conclusion about the place of the Baltic countries within this system. Gauthier (2002) uses two broad theoretical starting points in her historical family policy development analyses. She tested industrialisation and actor-centred theory as the main drivers of family policy processes. The industrialisation theory expects more similar outcomes in policy response; the same processes will eventually take place in all countries. According to this approach, we would expect to see the Baltic countries historically close to each other. The actor-centred theory concentrates its explanatory power on the role of various actors in the welfare state policy process. The success of different actors can be influenced by a country’s historical legacy, political environment and institutions. The actor theory can lead to divergent policy outcomes in different countries.

This paper analyses family policy in the three Baltic countries in 2002, and 2010. The year 2002 captures the period close to the Baltic countries’ accession to the European Union and demonstrates family policy process outcomes after ten years of independent policy developments. This year, 2002, is especially interesting because of limited detailed comparative information about the family policy situation in international databases, therefore the paper gives more detailed description of this period. The period from 2002 to 2010 describes family policy development during European Union membership years. The year 2010 also reveals the policy situation after the start of the economic recession.

In order to provide more sensitive analyses, family policy is divided into pronatalist and child well-being categories. In this paper, pronatalist policy is defined as support for families before, and one year after, the birth of a child. A child well-being policy is defined as support for families when a child is older. The particularity of these analyses lies in the application of relative social policy data that are standardised according to a country’s wealth level and by family type.

The majority of comparative analyses of family policy have been oriented towards western European countries and only very few have included eastern European countries. This paper includes both western and eastern European examples. Data from 23 European countries are used for the analyses: Austria (AT), Belgium (BE), Czech Republic (CZ), Denmark (DK), Estonia (EE), Finland (FI), France (FR), Germany (DE), Greece (EL), Hungary (HU), Ireland (IE), Italy
(IT), Latvia (LV), Lithuania (LT), Luxembourg (LU), Netherlands (NL), Poland (PL), Portugal (PT), Slovakia (SK), Slovenia (SI), Spain (ES), Sweden (SE), and United Kingdom (UK). The number of countries in the analysis was determined by the availability of data for all indicators.

1. MEASUREMENT OF FAMILY POLICY

Because of the large variability in ways to determine family policy, we use a general approach, used also by Eurostat. According to this approach, family policy is defined as a central government’s policy incentives directly targeted at families with children and related to child rearing (family benefits and different parental leaves schemes). Deductions related to income tax are excluded from the data, because their influence is indirect and are not considered a part of family policy by Eurostat.

According to the indicator of family policy allocations standardised by purchasing power standard (Figure 1), the total value of allocations to families and children was rather low in all three Baltic countries, and they formed a rather similar group of countries in 2002. Despite the growing value of monetary benefits per inhabitant in each Baltic country from 2002 to 2010, their support to families remained below the European average in 2010 also. Support was highest in Estonia, and doubled both in Estonia and Lithuania during the 2002 to 2010 period. As a result of these developments, Latvia became a clear laggard in the Baltic group.

![Allocations to family and children in 2002 and 2010](image)

**FIGURE 1.** Allocations to family and children in 2002 and 2010

(Purchasing power standard per inhabitant, data source: Eurostat database)
The same development is even more transparent according to the indicator of percentage of GDP allocated to families and children (Figure 2).

However, these two indicators reflect only general, cumulative family policy support. The timing of family policy support is an essential policy choice. To capture this difference, family policy elements are divided into two groups in this paper: pronatalist policy and child well-being policy. Pronatalism means, semantically, that policies are orientated towards a rise in fertility rates. In this study, pronatalism is defined as a central government’s support to families from the beginning of maternity leave until a child’s first birthday. Pronatalism was measured as the total amount of family policy support as a percentage of the average worker’s salary during the child’s first year. We analyse the total monetary value of support that a family can receive during this period. The family policy targeted to families with older children is referred to as a child well-being policy in this paper. A family with a nine-year-old child is used as an analytical unit to calculate this indicator.

A standard family type is often used for standardised comparative purposes, because of the variability of the family policy according to the number of children in the family, the income level of the household, and the age of a child. In this paper, we use families with only one child, where both parents are present in the household and both parents have an average income. The family type with only one firstborn child is used, because the birth of
the first child is the most frequent fertility event in all countries and family policy support for the first child also influences the well-being of the subsequent (higher parity) children. The family policy support in the case of the birth of first parity children also influences the timing of future fertility behaviour and future fertility decisions. A one-child family with an infant and a one-child family with a nine-year-old are used as the main units for cross-country comparisons. In order to standardise the support for families in different countries with different living standards, monetary benefits are presented in the analyses as a percentage of an average worker’s salary in the same country.

Because of the lack of one comparative database for Baltic countries’ family policy in 2002, we use a unique family policy database created by the University of Tartu. For 2002, data are collected and standardised from many sources. Data about family policy are acquired from the European Commission, the United States Social Security Administration, the Luxembourg Income Study, Eurostat, and scientific papers.

2. SUPPORT TO FAMILIES DURING A CHILD’S FIRST YEAR, COUNTRIES ON THE SCALE OF PRONATALISM

Figure 3 shows the total amount of benefits a family with one child may receive in 2002 from their central government in the form of birth grants, child benefits, and different leave benefits from the maternity leave until the first birthday of a child. Variations in the total amount of family benefits during the first year are quite large and vary between 20 per cent and 110 per cent of the average wage in Europe. Also, the three Baltic countries demonstrated quite different levels of generosity towards families with small children in 2002. Lithuania belonged to the group of countries that contributed most of all (compared with the average annual wages) to the life of families during the first year of a child’s life. Estonia and Latvia together with Finland, Luxemburg, Slovakia, Italy, Czech Republic, and Austria form another, less supportive, group of countries; yet they each allocated various family benefits in the amount of more than half of the average annual wage to families during a firstborn’s first year of a life. In an overall European comparison, this amount is rather generous.

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Leave benefits form the most essential family policy contribution to a family with an infant child in all European countries (Figure 3). Generally, the total leave period was shorter and with less benefits in western and southern European countries, and longest in eastern European countries. All three Baltic countries have a tradition of long parental leave periods of 164 to 166 weeks, only the Czech Republic had an even longer parental leave period. In each Baltic country, the parental leave period was also covered with leave benefits.

Maternity leave forms the first part of the leave period in all Baltic countries, and this is the most common solution in all other European countries as well. Benefit during maternity leave is usually dependent on the income level of the mother before the leave period. The

FIGURE 3. Birth grant, maternity and parental leave benefits, and child benefits as a percentage of the average salary in 2002, for a family with one child less than one year-old
(Data source: University of Tartu family policy database)
A period of well-financed maternity leave usually lasts no more than 16 to 18 weeks in Europe. In the Baltic countries, the relevant length was 20 weeks in Estonia, 18 weeks in Lithuania, and 16 weeks in Latvia. An upper ceiling for maternity leave benefits was used in 14 countries, but this practice was not instituted in the Baltic countries.

The financial benefits coverage of parental leave after maternity leave is usually lower than for maternity leave. In some European countries it was not financed at all or was income dependent. Table 1 gives an overview of the main principles of parental leave benefit entitlements in the case of the birth of the first child in 2002. We can distinguish four different types of countries by parental leave benefit payments: (1) some countries did not pay any parental leave benefit at all to parents of a first child; (2) the majority of countries, including Estonia and Latvia, paid a fixed amount; (3) Italy, Slovenia, Denmark, and Hungary calculated their monetary leave benefits as a percentage of salary; (4) Lithuania, Sweden, and Finland combined methods, i.e. during a certain period, a salary dependent benefit was paid and another period was covered by a fixed grant. Parental leave coverage varied from 0 per cent to 100 per cent of salary and was an average of 38 per cent in European countries. Baltic countries, with rather long parental leave periods, had rather low coverage compared to the average salary, 32 per cent in Lithuania, and 22 per cent in Estonia and Latvia. None of the Baltic countries provided parental leave possibilities reserved only for fathers in 2002.

The monetary value of child well-being benefits is marginal compared to leave benefits during the first year of life in all countries (Figure 1), and this is true also for Estonia and Latvia. In five countries – Lithuania, Spain, France, Poland, and Greece – a child benefit was missing altogether for the first child in a household with an average income in 2002. Also, birth grants formed only a minor part of all fiscal contributions to parents from central governments during the first year of a child’s life (Figure 1). In eleven countries, including Latvia, a birth grant for the first child in a household with an average income was missing completely. Estonia and Lithuania had, on the other hand, quite remarkable birth grants.

<table>
<thead>
<tr>
<th>Fixed</th>
<th>Estonia, Latvia, Austria, Belgium, Luxembourg, Poland*, Germany, Slovakia, Check Republic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary dependent (percentage)</td>
<td>Italy, Slovenia, Denmark, Hungary</td>
</tr>
<tr>
<td>Combined (salary dependent and fixed)</td>
<td>Lithuania, Sweden**, Finland</td>
</tr>
<tr>
<td>No leave benefits</td>
<td>Spain, the Netherlands, Ireland, UK, Greece, Portugal, France***</td>
</tr>
</tbody>
</table>

* Entitlement depends on household income.

** In Sweden, maternity and parental leaves can be combined. In this table, all lengths of leave period are taken into account.

*** Benefits are not paid in the case of the birth of the first child. In the case of the birth of the second or third parity child, parental leave is paid as fixed grant.
The total support to families with children under the age of one rose in all Baltic countries between 2002 and 2010, but the growth was the steepest in Estonia (from 53 per cent to 125 per cent). Estonia introduced a parental leave benefit with 100 per cent salary replacement in 2004. This policy change shifted Estonia to the top in terms of family support among the Baltic countries (see more Ainsaar, 2009b).

2. COUNTRIES ON THE SCALE OF CHILD WELLBEING FAMILY POLICY

A child benefit is the main family policy instrument after infancy in many countries. The Latvian and Estonian solution for a child benefit followed a universal principle (all children receive a similar benefit), while, in Lithuania, it was means-tested in 2002. For example, a family with one nine-year-old child and an average income was not eligible for a child allowance in Lithuania, France, Czech Republic, Spain, Slovakia, Italy, and Poland.

Child benefits were parity dependent in all Baltic countries. This means that children subsequent to the firstborn were entitled to larger benefits. For example, in Latvia the first child was entitled to a benefit of 10.03 euros per month, the second to 12.04, the third to 16.05, and the fourth and additional children to 18.06 euros. In Estonia, the difference in the child well-being benefit was only between the first and subsequent children. The child benefits for a firstborn child in Estonia was 9.59 euros and for all subsequent children, 19.18 euros. The first and second child in Lithuania did not get any benefits at all. Only the third child received 36.20 euros and the fourth and subsequent children, 47.06 euros a month.
Figure 5 reflects the amount of child benefits in three types of families with an average household income – a two-parent family with one three-year-old child, a two-parent family with one nine-year-old child, and a two-parent family with two children, one three-year-old child and one nine-year-old child. The majority of countries in Europe supported two-child families more than one-child families in monetary support per child, and so did Estonia.
and Latvia. Estonia and Latvia had quite similar patterns once again, but the benefits level, compared with an average salary, was higher in Latvia. In Lithuania, a family with an average income did not get child benefits for the first child at all, and started to get child benefits only after the birth of the third child.

Lithuania and Estonia did not have essential changes in family policy for families with a 9-year-old firstborn between 2002 and 2010, but Latvia made essential cuts. In 2002, the one child family with a 9-year-old child got support equal to 4.1 per cent of the average salary, but in 2010 this benefit was only 1.6 per cent. In Estonia, the total support for a family with a single 9-year-old child was 2.5 per cent of the average salary in 2002 and 2.4 per cent in 2010. Lithuania did not have any support in either year.

3. COMBINATION OF WELL-BEING AND PRONATALIST POLICIES

Well-being and pronatalism are not necessarily exclusive choices. Based on well-being and pronatalism scales (Figures 6 and 7) we can distinguish countries that supported families at all stages of childhood, countries with moderate support at all stages, and countries with only one or the other. We use, as cut-off points, the average scale points in 2002, 60 per cent for pronatalist policies and 3 per cent for child well-being policies to define the following groups:

1. **Mainly pronatalist countries** with a weak well-being policy support families during the first year of a child’s life with more than 60 per cent and, later, with less than 3.1 per cent of the average salary;
2. Countries in this group have **strong well-being policies**, but support families with weakly support around the time of a child’s birth. In this group, support during the first year of life is less than 61 per cent and, later with more than 3 per cent of the average salary in the country;
3. Countries **active in both categories** support families during the first year of a child’s life with more than 60 per cent, and later with more than 3 per cent of an average salary;
4. Countries **weak in both categories** support families during the first year of a child’s life with less than 61 per cent and later less than 3.1 per cent of an average salary.

Figures 6 and 7 show how countries stand according to their division into these four groups. Slovenia and Lithuania were the only countries with a clearly pronatalist orientation in 2002 (Figure 6). However, it seems that similar outcomes were produced in rather different economic circumstances. Namely, the GNP per capita adjusted by purchasing power parity in Slovenia exceeded twice the same indicator in Lithuania. We can assume that the level of wealth could have an impact on family policy in these countries, because the general support level for families was better in Slovenia than in Lithuania, despite a generally similar ideology.

Latvia, with six other countries – Luxembourg, Austria, Belgium, United Kingdom, Ireland and Germany – was orientated mainly towards the well-being of older children in 2002. The support for older children was comparatively more important in these countries than support around the birth of a child. In fact, this group consisted of two subgroups: the United Kingdom, Ireland, and Germany supported families with newborn babies poorly, while Latvia, Luxembourg, Austria and Belgium, offered quite remarkable support to families with infants.
FIGURE 6. Countries on the scale of pronatalism and child well-being policy in 2002
(Data source: University of Tarty family policy database)

FIGURE 7. Countries on the scale of pronatalism and child well-being policy in 2010
(Data source: University of Tarty family policy database)
This group of countries is very scattered according to background indicators such as wealth, women unemployed due to caring duties, and fertility rates; therefore, it is difficult to form a universal explanation for policy choices in these countries.

Three countries were very supportive of families with both infants and with children older than one-year-old - Sweden, Hungary, and Finland. They form the third group.

The biggest proportion of countries, eleven in all, can be grouped into the weak family policy group. Seven of them - Greece, Spain, France, Poland, Italy, Slovakia, and Czech Republic did not support the one-child family with a child at the age of nine with an average household income (equal to the average salary) at all, while the Netherlands, Portugal, Denmark and Estonia contributed in the amount of 1 to 3 per cent of an average salary.

In 2010, we see essential changes. First of all, the general level of family policy contributions rose (Figure 7), but this rise is mainly due to increases in support during a child’s first year of life. All three Baltic countries now belong to the mainly pronatalist family policy group. Both Estonia and Latvia became more pronatalist, and Latvia limited support in later stages of childhood. Lithuania remained as the most clear example of a strictly pronatalist country, without any support to the one child family in later childhood stages. Latvia lagged behind compared with the other Baltic countries in both categories, and Estonia managed, while increasing pronatalism, to also retain support for children after infancy.

4. WOMEN AT HOME BECAUSE OF FAMILY AND CHILDREN IN THE CARE

One important indicator of family policy is the incompatibility of work and family. It has both social policy and gender equity importance. For example, several works report the historical changes in macro level interaction between fertility and women’s labour force participation (Castels, 2003; Rindfuss, Guzzo and Morgan, 2003). A turnaround occurred during the mid-1980s (Engelhardt, Kögel and Prskawetz, 2004) when countries with higher female labour participation also achieved higher fertility rates. The explanation was found to be related to improving conditions of childcare and the reduced incompatibility of women’s different roles. The gender aspects of combining work and fertility rates may be a culture and social policy dependent phenomenon. For example, Matysiak and Vignoli (2008) studied the effect of a mother’s employment on fertility rates with individual meta-data and found a significant welfare regime effect. Namely, the relationship was more negative in countries with a liberal, conservative and familial welfare type. In the social-democratic and socialist welfare regimes, the influence of female employment on childbearing was, on average, insignificantly different to zero, while in the post-socialist welfare regimes a positive effect was found. The dependence on the incompatibility of work and fertility varying by a country’s welfare regime type was reported also by Aassve, Mazzuco and Mencarini (2005), who found that women in the social-democratic welfare states suffer the least incompatibility as a result of childbearing, whereas women in conservative and Mediterranean states suffered significantly more. With regards to the liberal welfare state, the results were more mixed.
Figure 8 presents women's labour force inactivity due to family care duties and the percentage of children in childcare in 2002. If Portugal and Poland (on the far left) are excluded, there is a negative correlation between the proportion of women at home caring for children and formal child care attendance. We also see basic socio-cultural differences in Europe in respect to women staying at home to care for children. The three Baltic countries are quite close to each other in this figure, which refers to similar situations in terms of women's labour force inactivity, due to family care duties. They each have less than 10 per cent of women inactive in the labour force due to family care duties, which is slightly below the European average.

The tradition of using childcare and the availability of formal childcare seems to be different in the Baltic countries. In 2005, only 22 per cent children did not attend school from ages of three to seven in Estonia, in Latvia the same indicator was 34 per cent and 43 per cent in Lithuania.

In 2010 we see a substantial drop in the percentage of children not enrolled in formal childcare both in Estonia and in Lithuania (Figure 9), with a rise in Latvia. As a result, Lithuania and Latvia remained among the countries with high share of children not participating in care outside the home. The share of children not attending care facilities was three times less in Estonia. The availability of childcare outside of the home has clear implications for mothers' work prospects. Childcare availability also serves as a proxy to evaluate the incompatibility of work and family life in these countries.
CONCLUSIONS

The aim of this paper was to compare family policies ten years after regaining independence in the three Baltic countries in 2002, and later in 2010. Family policy in 2010 reveals economic recession and the possible influence of the European Union. We ran structured comparative analyses of the total support to families separately in different time periods for a family with one child starting from the child’s infancy and ending at age nine. Country and individual level family policy data, standardised according to the average wage in European Union countries, were used for investigation.

Altogether, we can argue that in 2002, all three Baltic countries preserved strong support pre-birth and post-birth support for mothers inherited from the Soviet period. Also, a parental leave period after the end of maternity leave was long and covered with job protection in all Baltic countries. However, the overall leave benefit was not very high during parental leave. It constituted 22 to 32 per cent of the average salary and was one of the reasons families in poverty with children. Around 10 per cent of women between 18 and 39-years-old did not participate in the labour force due to family reasons in all Baltic countries, which was a rather moderate result for Europe. The three Baltic countries demonstrated quite similar levels of generosity towards families with small children in 2002, but their distribution choices were different. Lithuania had different family policy system, compared with Estonia and Latvia – with remarkable support to Lithuanian families during the first year of a child’s life and better support for higher parity children. At the same time, support for the first and second parity children in average income families was missing entirely in Lithuania. Lithuanian family policy was pronatalist and was clearly targeted at families in need and families with three or more children, while families with one and two children were quite neglected. Lithuania was distant...
from the other Baltic countries in terms of family policy groupings in Europe in 2002. Slovenia was the closest country in terms of family policy choices to Lithuania, but Slovenia contributed remarkably more to the well-being of one and two children families than Lithuania in 2002. Estonia and Latvia remained similar in many family policy aspects – mainly because of more equal division in regard to support for families with children throughout childhood.

We saw also essential changes between 2002 and 2010. Some country differences persist and others changed, and different family policy indicators might lead to different conclusions. In 2002, all three Baltics provided quite similar support to their families in equivalent purchasing power, but this demanded greater generosity from Estonia and Latvia’s GDPs. After the economic recession in 2010, Latvia clearly lagged behind the other Baltic countries both in terms of support per inhabitant, percentage of GDP available for family policy, and the provision of childcare places. Although, on the scale of pronatalism and child well-being policy, all Baltic countries choose a pronatalist direction by 2010, Lithuania still remained the most typical example of this policy.

Family policy is assumed to be a result of historical heritage, but at the same time, countries may experience different public, demographic, and economic incentives to come out with different policy solutions. The influence of international organisations and neighbouring countries cannot be underestimated either. We found, that country groups by family policy did not follow the classic borders of Esping-Andersen’s (1990) social protection country groups. Therefore we do not have reason to believe, that all Baltic or ex-Soviet countries will practice one particular form of family policy type in the future. It seems that Baltic countries, as well, as the other countries, have their own unique solutions and the policy process in diverse enough to produce very different outcomes. No general consolidation of countries into specific family policy country groups during the period of 2002 to 2010 was found. This is also noticed by Gauthier (2002), who reported remarkable mobility in family policy groups, but did not include the Baltic countries in the analyses.

This paper does not analyse the policy process, which led to these results, but we can hypothesise that the family policies of Baltic countries might be a result of the diffusion of policy ideas, and the economic and demographic situation in these countries. The majority of previous social policy research has also found support for actor-centred theory (Wennemo, 1994; Aidukaite, 1994; Gauthier, 2002), policy choices might be related also to values, attitudes, and a preferred level of solidarity (Arts and Gelissen, 2001).

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REFERENCES


