EVOLUTION OF FAMILY POLICIES IN EUROPE

Spanish Presidency of the Council of the European Union -"Towards comprehensive social protection for families in Europe" Madrid, 27 September 2023

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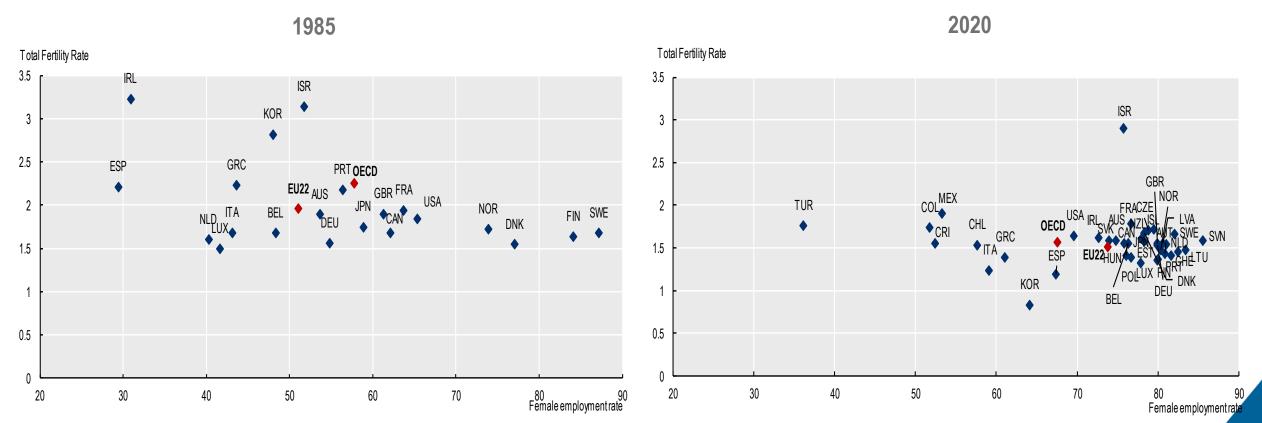


Family policy across the EU and OECD: objectives and emphasis vary across countries and over time

- Reducing family poverty and enhancing child development
- Improve the efficient use of economic resources and mobilise hitherto unused labour supply, to improve family resources, strengthen the tax base, and promote economic growth
- Promoting choice for parents in reconciling work and family life
- Enabling people to have children at the time of their choice
- Enhancing gender equity at work and at home

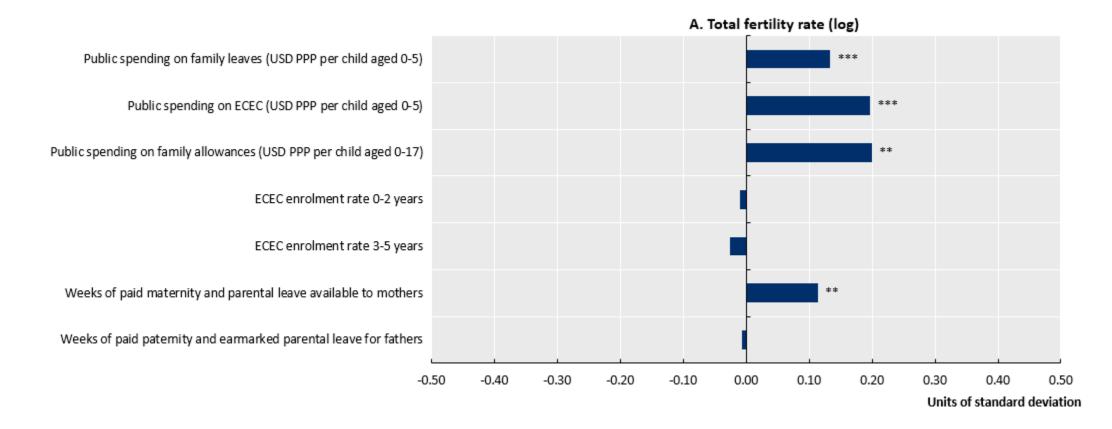
Clear change: over the past decades, fertility rates declined, while women's employment increased

Total fertility rates and employment rates, women, age 25-54 (1985 and 2020)





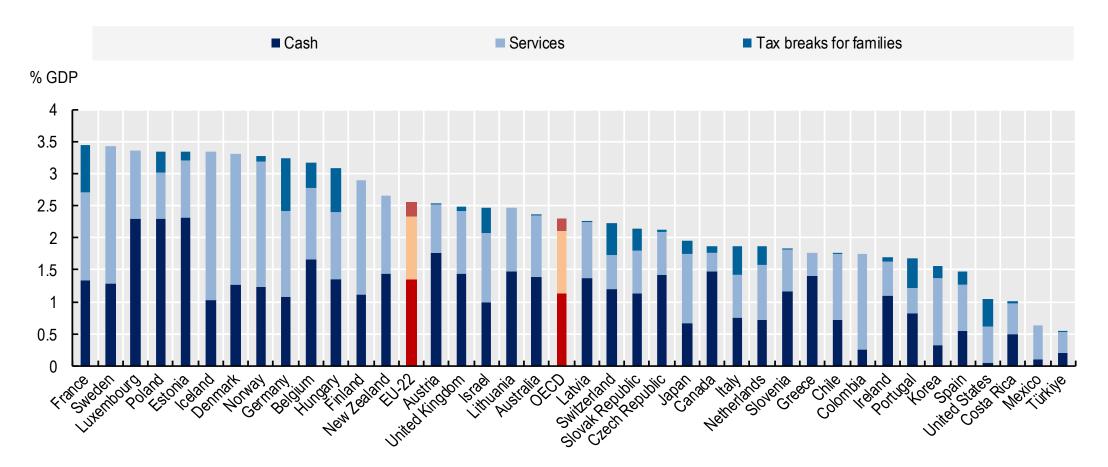
Estimated association between family policies and labour market outcomes with total fertility rates, 2002-2018



Source: Fluchtmann, J., V. van Veen and W. Adema (2023), "Fertility, employment and family policy: A cross-country panel analysis", OECD Social, Employment and Migration Working Papers, No. 299, OECD Publishing, Paris, <u>https://doi.org/10.1787/326844f0-en</u>.

Public family benefit spending levels and structures across the OECD

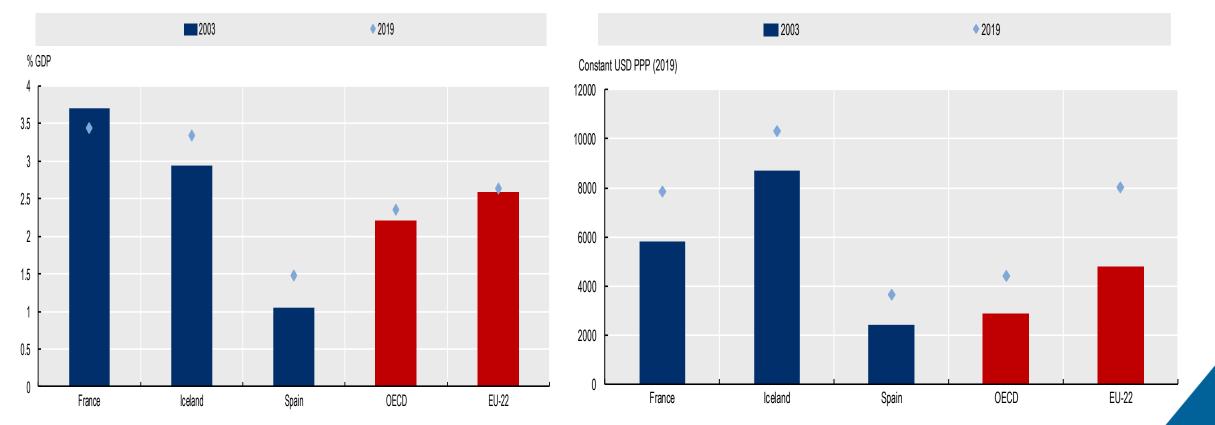
Public expenditure on family benefits by type of expenditure, in percent of GDP, 2019 or latest available.



Public spending on family benefits trends appear fairly flat, but spending per child has increased strongly

Public expenditure on family benefits, in percent of GDP, 2003 and 2019

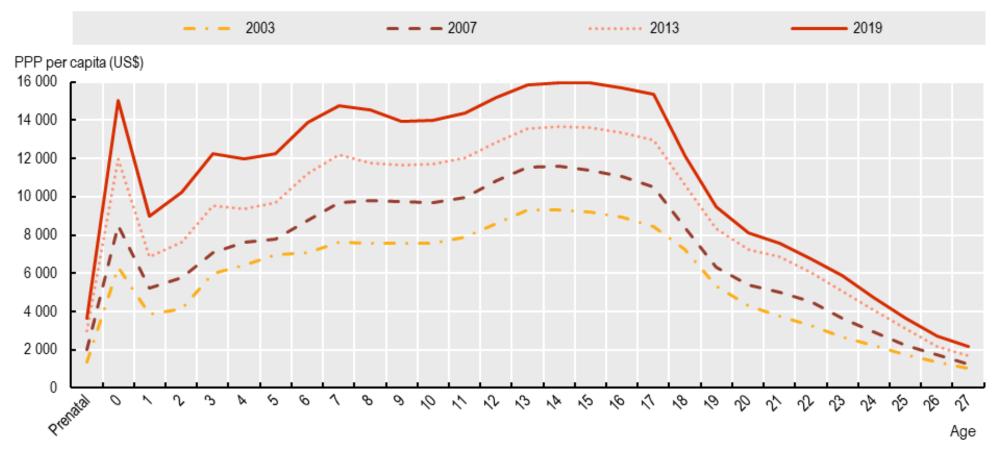
Public expenditure on family benefits per child (0-14 years old), in constant USD PPP (2019), 2003 and 2019



Note: Spending data include spending on family cash benefits and family services as well as Tax Breaks towards families. The OECD average excludes Colombia, Costa Rica, Estonia, Greece, Israel, Italy, Korea, Latvia and Lithuania. The EU-22 average excludes Estonia, Greece, Italy, Latvia and Lithuania. Sources: OECD Social Expenditure Database and UN World Population Prospects

Spending of families has increased particularly during the early years

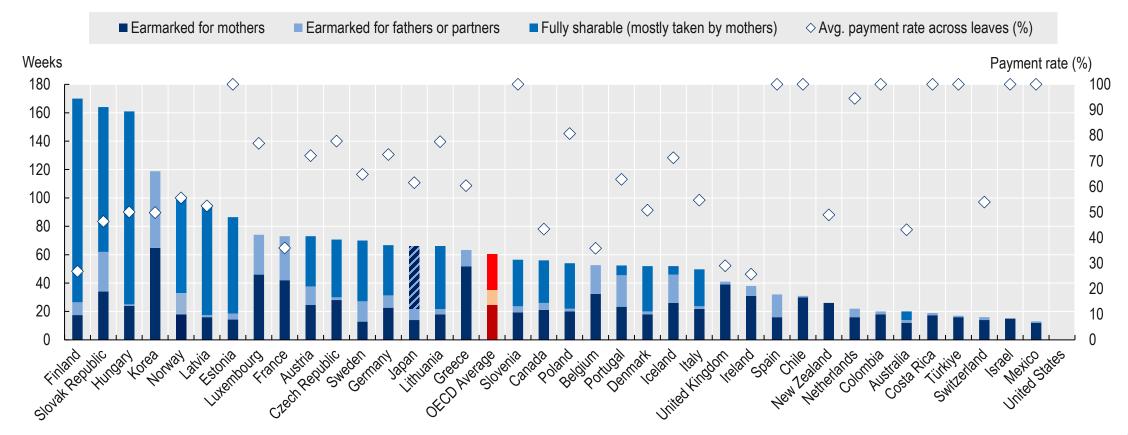
EU-18 Public expenditure on family benefits by age, PPP per capita (US\$), 2003, 2007, 2013 and 2019



Note: EU-18 data refer to Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, the Netherlands, Poland, Portugal, Slovak Republic, Spain and Sweden. Sources: OECD Social Expenditure Database and OECD Family Database Indicator PF1.6

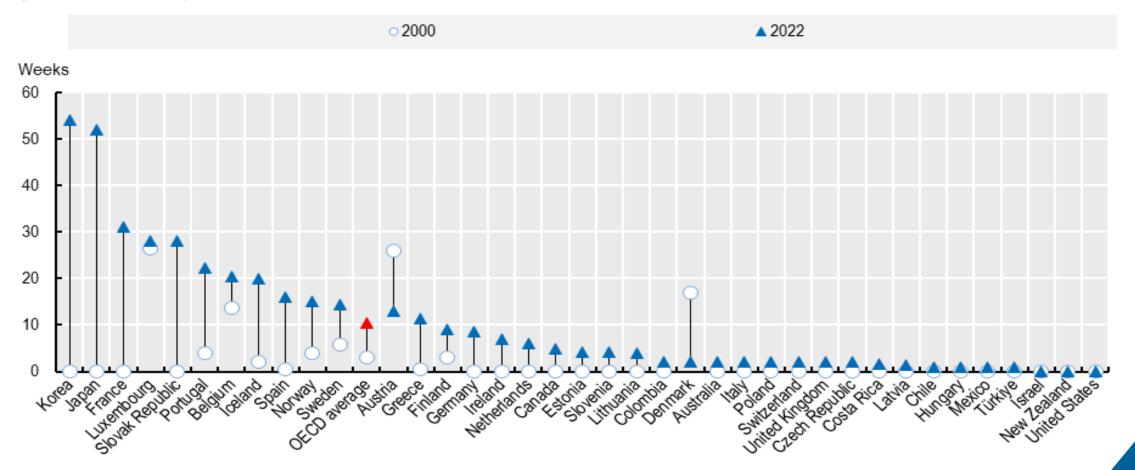
The duration of paid leave benefits for parents is about one year on average across the OECD

Duration of paid parental leave entitlements in weeks¹ (left axis) and average payment rates² (right axis) across different leaves (maternity leave, parental leave, home care leave), 2022



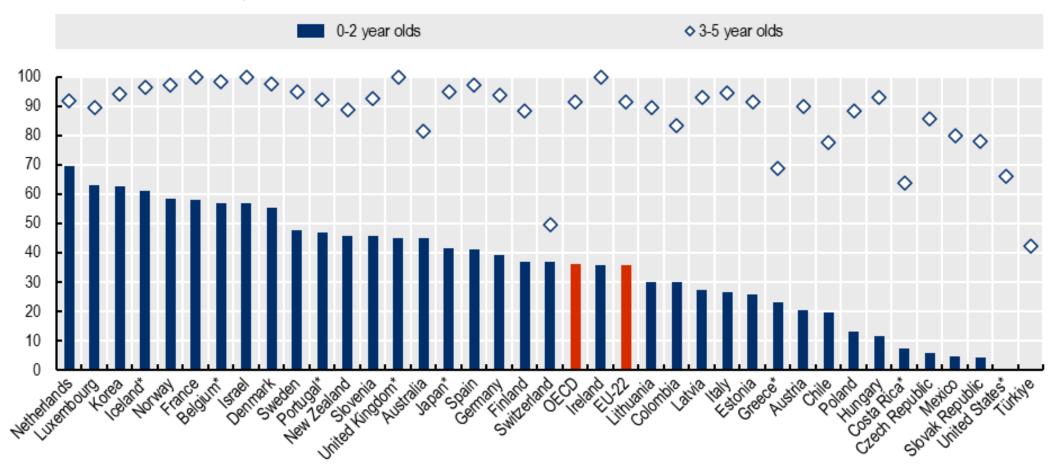
The length of paid leave "earmarked" for fathers has increased over the past two decades in many EU countries

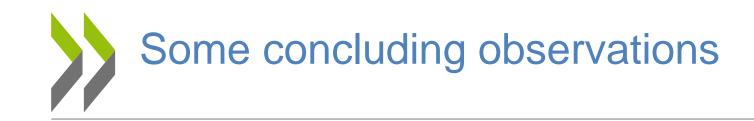
Length of paid paternity leave and paid parental and home care leave reserved for fathers, 2000 and 2022



Enrolment rates in early childhood education and care are lowest for the youngest children

Percent of children enrolled in early childhood education and care services, 2020 or latest available





- In past decades, fertility-rates have trended downwards in most OECD countries. Policy and labour market factors can help sustain birth-rates, but a return to "replacement rate" level in OECD countries is unlikely.
- Over the past 2 years, public spending on family benefits as % GDP has been flat, but public spending per child has increased.
- Many countries have developed ECEC systems, but coverage gaps continue to exist for younger children (0-2) in many countries
- In recent years, many OECD countries have moved to provide publicly paid father's leave for about 10 weeks on average.



