

## **Conference of the Insurance Sectoral Social Dialogue Committee (ISSDC)**

### *Addressing the Demographic Challenge in the Insurance Sector*

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Changes in family structures are giving rise to new challenges, which need to be taken into account when it comes to designing and coordinating family policies and their subsequent implementation.

Although below-replacement-level fertility has been registered across the European Union as a whole, there are clear differences between the Member States and their various regions, in terms of both their demographic situations and their family policies. The European Union's motto, "unity in diversity", is therefore particularly apposite in this connection. Although there is a positive reason for the rising proportion of elderly people, known as "population ageing", namely that people are living longer and in better health, there is also a second, more negative cause: i.e. a sharp fall in the birth rate, leading to a situation where the population is not being replaced.

Any reversal of this trend would hinge predominantly on significantly improving the total fertility rate. Migration inflows could also have an impact, but would not be sufficient in themselves, since immigrants do not necessarily settle in areas where the birth-rate is low and they also age. Furthermore, immigration requires active pursuit of integration policies in order to avoid inter-community problems, which are all the more acute in host countries where population momentum is weak.

The economic crisis has had a series of knock-on effects that have had an impact on living conditions for some families and made it more difficult to respond to the resulting need for support. The first area to be affected by the economic situation was employment and therefore, in many cases, household resources. The crisis and the parlous situation of public finances in many Member States may also lead governments to amend or postpone the introduction of particular components of family policy.

All the Member States have a raft of policies which, together, form a family policy, whether or not it is explicitly named as such. The various policies pursue different objectives:

- -educing poverty and maintaining family incomes;
- supporting early childhood and children's well-being and development;
- helping balance work and family life;
- meeting the requirement for gender equality;
- enabling parents or would-be parents to decide on the number and spacing of their children, thereby increasing the birth rate.

Comparing family policies is a useful exercise, since it enables good practice to be identified, but the defining feature is that for any of these systems to be fully effective, the services and support mechanisms on offer, particularly financial and/or tax support, must meet the expectations of families, parents and future parents. These expectations can vary from one Member State to another depending on national culture, social mores and traditions. Accordingly, the public authorities should eschew ideological presuppositions and propose measures that give people a genuine opportunity to choose to have a family and to have the desired number of children. Public intervention is fully justified in that the family, where human capital is created, is the foundation for the whole edifice of society - as we have seen from the crisis, where families have frequently played the role of social shock-absorber.

Although family-friendly policies vary, the successful ones have several points in common:

- they include the introduction of measures (such as good quality child-care, particularly public provision of early years child-care, family support, in the form of care for all dependent persons, flexible working arrangements and specific leave) enabling people to balance work and family life, on the understanding that these measures need to be tailored to the conditions in individual countries and must meet fathers' and mothers' expectations and children's emotional, psychological and physical needs;
- they include a focus on preventing and combating family poverty;
- the policies are maintained over the long term, under governments of different political persuasions and are universal; their main focus is the interests of the child, irrespective of family income. This aspect of stability is extremely important, since families plan their future over the long term. An appropriate, long-term family policy is one of the components of sustainable development;
- they include recognition of the family and highlight the role of the family and the value of having a successful family life. In contemporary society, success is mainly defined in individual and professional terms, but there are other forms of personal success, connected with our relationships to others and to the common good, including success in family, community or cultural life, which should be given more attention, particularly in the media and in national education systems;
- they take account of the specific situation of large families.

Alongside the elements of family policy as such, two other policies – employment and housing – are clearly also important. Without a home and a job, it is difficult to plan a family. To start a family, one needs to have a certain degree of confidence in the future. High youth unemployment or insecure employment contracts can have a significant impact on generation replacement, since although raising a child may be a lengthy process, the optimum age-span for having a baby is short. For this reason, attention should be paid to the situation of students and young people who are, or wish to become, parents.

In a previous opinion, the Committee proposed that, "initiatives be envisaged enabling grandparents and other close family members to care for the children if working parents so wish as well and provided this is in the child's interest". With respect to family time, the EESC has already adopted the principle that, "Everyone needs to be able (...) to have a sufficient number of years of time credit for family (...) activities. It should be possible for people to choose to put back their retirement age if they prefer to take time out (financed in the same way as retirement) during their working lives. In this way, if time working outside the home were partial or temporarily interrupted, the loss of income would not be overly acute. The economic impact should be analysed in detail, in particular to calculate the savings in relation to collective childcare that could then be put into recognising the time spent on bringing up children in pension calculations. It is also important for grandparents' rights in relation to their grandchildren to be guaranteed.

What role should the European Union play?

Family policies do not fall within the remit of the European Union. Article 9 of the Charter of Fundamental Rights states that exercise of the rights relating to the family is governed by national laws. Nevertheless, as we have already seen in relation to parental leave and the discussions on the length of maternity leave, the EU may enact legislation on balancing work and family life and the social partners can negotiate agreements that will become directives. The EU Union can also introduce legislation on equality at work between women and men, which is one of the components of family policy, as well as on child protection and development, drawing on the European Commission's recent agenda for the rights of the child.

When it comes to knowledge of demographic situations and trends and the exchange of good practice between Member States, the EU also has a valuable role to play.

Today, a number of initiatives and related funding arrangements are being developed under the leadership of the European Union, and the Structural Funds and the European Social Fund have already been used and may be used in future to support family-friendly policies.

It would be desirable for these initiatives and arrangements to be better integrated and placed under the authority of - or at the least coordinated by - one body responsible for defining an overall policy and determining priorities for action and research. The role of conductor and coordinator could be divided between the European Commission, specifically via the European Alliance for Families, for the more policy-related aspects of coordination and management, and Eurofound, for the more scientific aspects.

It would be desirable for the associations that represent families to be involved in drawing up family policies and policies that have an impact on families, at both EU and national levels.

Many of the policies determined at EU level have a direct impact on family life. The Committee therefore recommends that family issues be mainstreamed in all European policies, particularly in the impact studies which are now required for all European legislation and incorporated into all evaluations of existing policies which have to be reviewed.

The Committee firmly supports the idea of making 2014 the European Year for Families.

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