

**Table 4.**—Minimum and maximum monthly retired-worker benefits payable to individuals who retired at age 65, 1940-79

Year attained age 65 <sup>1</sup>	Minimum benefit		Maximum benefit			
	Payable at time of retirement	Payable effective June 1979	Payable at time of retirement		Payable effective June 1979	
			Men <sup>2</sup>	Women	Men <sup>2</sup>	Women
1940 ..	\$10.00	\$133.90	\$41.20	.....	\$259.00	.....
1941 ..	10.00	133.90	41.60	.....	259.00	.....
1942 ..	10.00	133.90	42.00	.....	262.20	.....
1943 ..	10.00	133.90	42.40	.....	262.20	.....
1944 ..	10.00	133.90	42.80	.....	265.00	.....
1945 ..	10.00	133.90	43.20	.....	265.00	.....
1946 ..	10.00	133.90	43.60	.....	268.20	.....
1947 ..	10.00	133.90	44.00	.....	270.70	.....
1948 ..	10.00	133.90	44.40	.....	270.70	.....
1949 ..	10.00	133.90	44.80	.....	273.40	.....
1950 ..	10.00	133.90	45.20	.....	276.80	.....
1951 ..	20.00	133.90	68.50	.....	276.80	.....
1952 ..	20.00	133.90	68.50	.....	276.80	.....
1953 ..	25.00	133.90	85.00	.....	305.70	.....
1954 ..	25.00	133.90	85.00	.....	305.70	.....
1955 ..	30.00	133.90	98.50	.....	305.70	.....
1956 ..	30.00	133.90	103.50	.....	322.90	.....
1957 ..	30.00	133.90	108.50	.....	337.60	.....
1958 ..	30.00	133.90	108.50	.....	337.60	.....
1959 ..	33.00	133.90	116.00	.....	337.60	.....
1960 ..	33.00	133.90	119.00	.....	346.10	.....
1961 ..	33.00	133.90	120.00	.....	348.80	.....
1962 ..	40.00	133.90	121.00	\$123.00	351.90	\$357.90
1963 ..	40.00	133.90	122.00	125.00	354.90	363.30
1964 ..	40.00	133.90	123.00	127.00	357.90	369.30
1965 ..	44.00	133.90	131.70	135.90	357.90	369.30
1966 ..	44.00	133.90	132.70	135.90	360.50	369.30
1967 ..	44.00	133.90	135.90	140.00	369.30	380.30
1968 ..	55.00	133.90	156.00	161.60	374.90	388.20
1969 ..	55.00	133.90	160.50	167.30	385.90	402.20
1970 ..	64.00	133.90	189.80	196.40	396.60	410.50
1971 ..	70.40	133.90	213.10	220.40	404.80	418.40
1972 ..	70.40	133.90	216.10	224.70	410.50	426.70
1973 ..	84.50	133.90	266.10	276.40	421.10	437.50
1974 ..	84.50	133.90	274.60	284.90	434.50	450.90
1975 ..	93.80	133.90	316.30	333.70	450.90	475.60
1976 ..	101.40	133.90	364.00	378.80	480.20	499.80
1977 ..	107.90	133.90	412.70	422.40	511.70	523.70
1978 ..	114.30	133.90	459.80	459.80	538.20	538.20
1979 ..	121.80	133.90	503.40	503.40	553.30	553.30

<sup>1</sup> Assumes retirement at beginning of year.

<sup>2</sup> Represents benefit for both men and women until 1962.

<sup>3</sup> Effective for February 1968.

\$90-\$180 in March 1974. It remained at that level until January 1979 when, under a provision of the 1977 amendments, it was raised to a maximum of \$230 a month. The amendments also provided that the special minimum PIA be subject to the same automatic cost-of-living increases as regular benefits. Thus, effective June 1979, the highest special minimum PIA is \$252.80 per month.

The special minimum PIA is used only when it is greater than an individual's regular PIA. Since the special minimum PIA remained constant from March 1974 through December 1978, and the regular PIA was increased several times during that period, the special minimum PIA gradually lost its advantage. Special minimum benefits were con-

**Table 5.**—Beneficiaries with special minimum PIA, at end of specified month, 1973-79

Specified month	Number of beneficiaries	Average		
		Special minimum PIA	Regular PIA	Monthly amount
December 1973 .....	204,392	\$162.61	\$154.78	\$139.61
May 1974 .....	217,475	170.37	165.73	148.10
June 1974 .....	117,120	175.42	167.04	148.43
May 1975 .....	125,175	175.52	167.21	146.16
June 1975 .....	27,803	176.91	170.94	147.21
May 1976 .....	29,444	176.88	170.76	146.85
June 1976 .....	4,296	178.20	173.58	147.02
May 1977 .....	4,090	178.17	173.51	152.53
June 1977 .....	309	178.34	172.70	154.76
May 1978 .....	378	178.36	173.48	155.25
June 1978 .....	19	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
December 1978 .....	12	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
March 1979 .....	76,901	223.17	212.98	193.68
April 1979 .....	81,269	223.18	212.99	193.69
May 1979 .....	85,774	223.17	212.92	193.95
June 1979 .....	85,749	245.47	234.02	213.22

<sup>1</sup> Data not available.

verted to regular benefits and the number of beneficiaries with the special minimum PIA dropped sharply with each benefit increase. By December 1978, only 12 people were receiving benefits based on the special minimum PIA (table 5).

As a result of the increase in the special minimum PIA authorized by the 1977 amendments, nearly 86,000 beneficiaries were receiving benefits based on the special minimum PIA at the end of May 1979. As a result of the 1979 increase in June 1979, the average special minimum PIA for these beneficiaries rose from \$223.17 to \$245.47, and their average regular PIA rose from \$212.92 to \$234.02. Thus, the special minimum PIA remained advantageous for all but 25 of these beneficiaries.

## Social Security Abroad

### Recent Changes in French Family Allowance Policy\*

The term "family allowances" covers a variety of cash benefits paid under social security programs to provide families with regular supplementary income to compensate for the cost of raising a child. In many countries, these benefits are limited to children's allowances—cash payments that vary according to the number of children in a family. In France, however, the system of family allowances

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is a much broader income-maintenance program.<sup>1</sup> In that country, allowances are paid before and after the birth of a child, under special circumstances—for the care of orphans or handicapped children, for example—and to assist families with other living expenses such as the costs of housing. The types of allowances, as of January 1, 1979,<sup>2</sup> are:

**No means test:**

- Children's allowances for families with two or more children
- Cash payments for families caring for orphans
- Cash payments for the education of handicapped children
- Prenatal and postnatal payments

**Means test:**

- Family supplement for families with three children or at least one child under age 3
- Cash payments for one-earner families (two kinds of programs)<sup>3</sup>
- Cash payments for outside child-care expenses to families with both parents working<sup>3</sup>
- Cash housing allowance
- Annual grant for back-to-school expenses
- Cash payments for single parents raising children

This note focuses on recent changes in the French family allowance program. These changes reflect (1) concern over demographic trends, (2) a desire to expand coverage and simplify the program, and (3) recognition of the changing roles of women.

Family allowances at one time were intended to stimulate the birth rate by encouraging larger families. This objective is once again a topic of social policy debate in France. Fertility has been declining there for more than a decade: Since 1975, negative population growth has prevailed.

French policymakers fear that a decline in population will lead to grave social and economic consequences. They are concerned about a possible reduction in the labor force and a change in consumer demand from basic necessities to luxury items. Unemployment in a number of key sectors, beginning with those that provide services for children, could lead, they believe, to a slowing of economic growth.

The decline in fertility will also accentuate the aging of the population and cause the proportion of pensioners to swell at a time when the economy is unable to sustain the additional burden. The resultant strain, it is feared, could trigger

intergenerational conflict.<sup>4</sup> In light of these factors, Government policy aims at assuring the replacement of the generations by encouraging more families to have a third child.

Since January 1978, the cash support available to families has been increased by a number of changes in family allowance policy. In a major policy speech—known as the “Program of Blois”—Premier Raymond Barre announced that families with three children would be guaranteed a basic allowance of 1,000 francs a month<sup>5</sup> after July 1, 1979. With the extension of coverage to the entire resident population, benefits have ceased to be work-related. In addition, various benefits have been consolidated into a new family income supplement in an effort to simplify program administration and improve public understanding.

Another goal underlying the changes in family allowance policy is to make the program neutral with regard to a woman's decision to enter the labor force. Women make up nearly 40 percent of the French work force. In particular, the number of mothers who work has increased. The recent reforms thus represent an attempt to adjust family policy to reflect more closely the new roles of women and to help them reconcile the demands of family and employment.

## Background

Family allowances in France have slowly evolved into a system of cash payments designed to further three specific policies: (1) A supplementary wage policy to compensate families for the added cost of rearing children, (2) a demographic policy to stimulate population growth, and (3) a social policy to redistribute income in favor of the neediest families.

French family allowances originated in the 19th century as wage supplements provided by private employers to their workers. The goal was to provide compensation to ease the additional financial burdens incurred by parents so that they would not have a lower standard of living than that of other wage earners.

By 1917 a family allowance program for civil servants had also been established. Heavy losses in manpower sustained by France during World War I focused attention on the possible use of family allowances in promoting the second goal—population growth. This objective pointed up the need for legislation to expand the existing system.

In 1932, all employers in industry and commerce were required to pool a proportion of their payroll into an “equalization fund,” which provided cash allowances to employees with children. In 1938 an additional supplementary benefit was created for families dependent on a single income. The strategy of family policy was to encourage

<sup>1</sup> For more information on family policy in France, see the chapter by Nicole Questiaux and Jacques Fournier in Sheila B. Kamerman and Alfred J. Kahn, **Family Policy: Government and Families in Fourteen Countries**. Columbia University Press, 1978.

<sup>2</sup> The work requirement was eliminated as of this date. Previously, only employed persons and those unable to work were eligible for allowances. The prenatal and postnatal allowances and the single-parent allowance, however, were exempt from this requirement.

<sup>3</sup> These allowances were replaced by the family supplement. They are no longer available, except to families whose existing benefit would have been reduced when the family supplement went into effect.

<sup>4</sup> For more details, see Lois S. Copeland, “Impact of Recession on Financing of French Program,” **Social Security Bulletin**, July 1976, pages 44-48, and Max Horlick, “The Impact of an Aging Population on Social Security: The Foreign Experience,” in **Social Security in a Changing World**, Social Security Administration, September 1979.

<sup>5</sup> As of October 26, 1979, 1 French franc equaled 23.7 U.S. cents.

women to stay home and raise children. The Family Code of 1939 extended family allowances to all of the economically active population. To induce young couples to begin their families early, a generous premium was added for the first birth.

Family allowances occupied a key position in the comprehensive reform of the French social security system that was undertaken after World War II. The program was broadened by extending eligibility to those persons for whom employment had either been interrupted or was altogether impossible—the unemployed, widows, single mothers, and disabled heads of households. Two new allowances, providing prenatal and maternity benefits, replaced the premium for the first birth. Prenatal benefits were intended to help reduce infant mortality and protect the health of mothers. By requiring, as a condition of eligibility for maternity benefits, that births take place at specified intervals after marriage, the Government sought to stimulate the birth rate. None of these payments were restricted because of a family's income level.

In 1948 the first means-tested allowance was introduced in the form of a cash payment to help families meet housing expenses. Thus, family policy began addressing its third goal—social equity. By directing allowances to low-income families, the program became a tool for vertical income redistribution. Further steps in this direction were taken in 1972 when a means test was instituted for certain existing allowances and new benefits were created that took family resources into account. As a result, the proportion of all family allowances paid under a means test rose from 14 percent in 1970 to 35 percent in 1976.<sup>6</sup>

In line with the trend toward targeting family allowances for the neediest groups, the kinds of family payments underwent diversification. Specific allowances, for example, were created for orphans, handicapped children, and single parents. As a byproduct of such diversification and means-testing, however, the family allowance program became extremely complex—a problem that the current reform effort attempts to alleviate.

## Program Particulars

Cash payments to families with children can be divided into two basic categories: those universally available and those subject to a means test. Family allowances are not considered taxable income.

Approximately half of all family allowance expenditures are for children's allowances. These payments begin with the second child and vary according to the number and ages of the children. All families are eligible, regardless of income. Other allowances that do not involve a means test are those payable for a period before and after the birth of a child and those established for special needs, including allowances for orphans and handicapped children.

<sup>6</sup> Marie-Louise Doguet, "Les prestations familiales en France: Bilan et perspective," *Revue Française des Affaires Sociales*, January-March 1978, page 14.

A second group of family allowances consists of those with means-tested benefits. This group includes allowances for housing, school expenses, and single parents. The newly created family supplement payable to families with a child under age 3 and to families with at least three children also falls within this category.

The means-tested benefits are payable in addition to the regular children's allowances. Despite the use of a means test for certain benefits, family allowances are not considered public assistance, but rather payments to which all qualified families have a right.

## Administration

Family allowances are administered by the National Family Allowance Fund, which is supervised by the Government and has branches in all French regions. In addition to the general system for workers in industry and commerce, which covers 93 percent of all recipient families, a special system exists for farmers. Several other benefits and social services administered at the local level—day-care centers, for example—are also financed out of family allowance funds.

## Eligibility

To be eligible for any of the allowances described here, a family must satisfy certain general conditions and specific criteria. French nationality is not required, but both the dependent child and the person caring for him (not necessarily the parent) must meet residency requirements. Also eligible are temporary residents, including migrant workers from other member states of the European Economic Community or from countries with which France has international social security agreements.

In most cases, children under age 16 are considered to be dependent, but this ceiling is extended to age 17 for those seeking their first job, to age 18 for apprentices, and up to age 20 for students, youths who are handicapped or unable to work, and young women working in the home. The person who receives the allowance must not only be financially responsible for the child but must actually provide care on a permanent basis regardless of the child's legal status.

Among the specific criteria established for individual allowances are conditions relating to the age and number of children, the absence of one or both parents, and, in the case of handicapped children, the degree of disability. The means-tested allowances incorporate income ceilings—the maximum amount of income that can be received while allowances are paid—that vary according to the number of children in the family.

## Benefits

Benefit payments are calculated as a proportion of a national base amount set by the Government—currently 949 francs a month, or about 45 percent of the monthly

minimum wage. Under children's allowances, a family receives 23 percent of the base amount with two children, 64 percent with three children, and 101 percent with four children. For each child beyond four, the family allowance is increased by 35 percent of the base amount. Because the French recognize that older children have greater requirements, extra amounts are paid to families with children aged 10 to 15 and aged 16 and older. This allowance for age, however, is not paid for the eldest child in families with fewer than three children.

Most other family allowance benefits are also calculated as a set proportion of the base amount. The single-parent allowance created in 1976 is somewhat different, however, because it incorporates the concept of a guaranteed minimum income. If the income of a single parent is less than the guaranteed minimum, the benefit is equal to the difference between the two amounts. The allowance is paid for 1 year or until the youngest child reaches age 3.

The housing allowance is considerably more complex. It is calculated by means of a formula that takes into account both family size and income. The family allowance fund pays part of the actual costs of housing for each eligible family. Ordinarily, the larger the family or the lower the income level the greater the size of the allowance. Another feature that sets this allowance apart from the others is that it is paid not only to those with children in their care but also to young couples during the first 5 years of their marriage and to anyone with responsibility for a dependent parent or handicapped relative.

## Financing

Over the years, the family allowance fund has built up substantial surplus revenues that have been used to cover deficits in other social security programs. The payroll contribution rate, which is paid by employers, has fallen from 16 percent in 1946 to 9 percent at present on earnings up to the ceiling (now 4,470 francs a month). The continuing surplus is believed to have resulted from a high initial contribution rate, a lower increase in benefits than in earnings, and an unexpectedly large decline in fertility.

Transfers of revenues to the other social security funds have been made in two ways. First, part of the contribution rate for family allowances has been shifted to another fund. In 1974, for example, the payroll tax for family allowances was reduced by one and one-half percentage points and that for the old-age program was increased to the same extent. Second, surplus revenues in the family allowance program have been used on an annual basis to help cover deficits, most often those occurring in the health insurance program.

Receipts of the National Family Allowance Fund in 1977 amounted to 52.9 billion francs—14.9 percent higher than the previous year's total.<sup>7</sup> Though expenditures experienced a higher rate of increase, a surplus of 3.4 billion francs was realized.

<sup>7</sup> *Liaisons Sociales*, April 23, 1979. Receipts of the special system for farmers are not included in the figures cited.

## Expenditures

In 1977, about 5.5 million families received allowances, which represented payments for more than 12.6 million children. The average monthly payment was 633 francs per family, or 275 francs per child. Expenditures of the National Family Allowance Fund amounted to 49.5 billion francs, an increase of 16.8 percent from the total for 1976. The higher expenditures reflected not only a rise in benefit levels, but also growth in those benefits and social services provided by the family allowance fund that are not, strictly speaking, family allowances.

The number of recipient families was nearly equal to that of the previous year, but average family size was smaller. An increase occurred in the number of recipient families with only two children. The proportion of families with more children was reduced.

## Recent Changes

A number of reforms have recently been made in the family allowance program. Coverage has been extended, a new consolidated family supplement has been created, and benefit levels have been increased beyond the amounts determined by the automatic adjustment mechanism.

## Universal Coverage

Before January 1, 1978, only employed persons and those incapable of working were eligible for family allowances. The work requirement was eliminated on that date as part of a broader effort to extend social security coverage to all groups previously excluded—a process that the French call "generalization." Elimination of the work requirement for family allowances made coverage universal for this program. Families without workers receive their children's allowances through the general fund financed by employers.

## Consolidated Family Supplement

Because French family policy led to the creation of many different allowances tailored to the special needs of families, it also increased the amount of legislation and the complexity of regulations covering the system. In an effort to simplify the system, the French Government, effective January 1, 1978, combined several allowances into a single benefit—the new family supplement.

A means-tested payment to families with one child under age 3 or at least three children, the family supplement consolidates four separate allowances for single-earner families<sup>8</sup> and a child-care allowance for families in which both parents work outside the home. The old allowances are still payable to families who were receiving them when the

<sup>8</sup> The four allowances are the "single-wage" and "mother-at-home" allowances and their respective supplements. Although benefits for the single-wage and mother-at-home allowances are equivalent, the former are paid only to wage earners and the latter only to employers and the self-employed.

family supplement became effective and who would be disadvantaged by its provisions. Still another allowance, originated to compensate wage earners for the loss of certain tax credits in 1948, was abolished altogether. The combined effect of these changes is to simplify the family allowance system and to make benefits uniform for wage earners, the self-employed, and employers.

The family supplement also removes the bias against working mothers embodied in the old system of payments made only to families dependent on the income of a single worker. Under that system, if the wife of an employed man chose to work, the family lost the benefit. The family supplement is neutral with respect to a mother's employment because it does not prevent eligibility. The parents have a choice as to whether the family supplement will be used to defray child-care expenses or help compensate for the income lost because the mother stays at home.

All eligible families, regardless of their size, receive the same family supplement—395 francs per month. The means test, however, takes the number of children into account by increasing the income ceiling for each additional child. Additionally, the income ceilings for two-earner families are raised to reflect the combined income of both parents.

The higher ceilings are used for single-parent families as well. The original estimate was that about 2.3 million French families, or 73.4 percent of the total, would benefit from the family supplement. Nearly 2.7 million families received it during the first half of 1978, however. Total expenditures in 1978 for the family supplement and the allowances it replaced, which continued to be payable to certain families, were almost 60 percent above the 1977 levels for the old allowances.

## Benefit Increases

In addition to the automatic annual adjustment of benefit amounts, further ad hoc increases have been enacted to (1) create greater incentives for families to have children and (2) provide special one-time aid to certain families.

Family allowances are increased automatically on July 1 of each year on the basis of price changes. The most recent automatic adjustment raised the monthly base amount on which allowances are calculated from 850 francs to 949 francs, or by 11.6 percent. That adjustment reflects a cost-of-living increase of 10.1 percent plus an additional 1.5 percent known as the "guaranteed improvement," which ensures that the real value of benefits stays slightly ahead of inflation.

Children's allowances for families with three children were increased from 61 percent to 64 percent of the monthly base amount, for a total increase, including the automatic adjustment, of 14.6 percent from the previous year's level. The additional increase was authorized to bring the total amount payable to such families (combining children's allowances and the family supplement) up to the 1,000 francs per month level announced in the Program of Blois.

The demographic intent of this increase is even clearer when the benefit for the second child is compared with that for the third. The benefit for the second child remained 23 percent of the base amount while that for the third rose from 38 percent to 41 percent.

In a package of special measures, the Government announced a doubling of the annual back-to-school allowance to 400 francs and a 1-month increase of 205 francs in the family supplement for October 1979. These benefit increases, which will be financed out of Government revenues, are intended to help lower-income families cope with higher oil prices. The cost of these measures is estimated at 1.6 billion francs.

## Evaluation

### Extension of Coverage

It can be said that de facto generalization of family allowances existed even before the elimination of the work-activity requirement, since the exceptions incorporated in the previous legislation had already extended coverage to all but a very small percentage of the population. The effect of the recent change is therefore minor in terms of the number of additional families who became eligible for benefits. It can be argued that generalization established the principle that all children have a right to benefits without regard to the employment status of their parents. In other words, instead of family allowances being a right of workers or those dependent on workers, they are a right of children.

Occupational activity is nevertheless still a criterion in determining the fund to which a family is attached. Farmers continue to have their own fund, which receives contributions and pays benefits. Moreover, the members of several occupational groups within the general system are paid benefits directly by their employers. Finally, although critics argue that most universal systems are funded out of general revenues, family allowances continue to be financed by employer contributions. Since occupational links in the areas of finance and administration have not been eliminated, the French system of universal coverage is thus a kind of hybrid.<sup>9</sup>

Patronat, the French association of employers, advocates gradual general-revenue financing of the family allowance program. It cites the increasingly heavy burden of employer contributions for the old-age and health funds (21.65 percent of covered payroll). Although it supports family allowance policy in general, the Patronat believes that a reduction in employers' contributions would free resources needed for investment.

### Simplification Efforts

Efficient administration of family allowances and informing the neediest families of their rights to such bene-

<sup>9</sup> Philippe Ory, "L'abandon de la condition d'activité professionnelle pour l'ouverture du droit aux prestations familiales." *Droit Social*, September-October 1978, pages 14-26.

fits are hindered by the complexity of the system and the variety of eligibility conditions, benefit formulas, and income ceilings. Simplification of the system is perceived to be badly needed.

The combining of several allowances into the family supplement is an important first step that clarifies the scope of the system and facilitates understanding of its provisions. Another way to simplify the system would be to eliminate the income ceilings used to restrict eligibility for certain benefits, in particular the family supplement. Those who oppose the use of the means test argue that it adds a welfare component that was not part of the philosophy behind the comprehensive family policy established in 1946. They believe that a better way to reduce inequality among families would be to subject family allowances to a progressive income tax.

Currently, the family deduction under the French progressive income tax system favors higher-income families over other groups. Critics claim that the redistributive effect of applying a means test to family allowances is to some degree offset by the income tax. In their view, further reform should therefore take both systems into account.

### Demographic Effects

Empirical studies have found little evidence to show that family allowances actually have a positive effect on the birth rate. Although the specific restrictive conditions of some allowances may exert an influence on the timing and spacing of births, decisions about desired family size seem to be made independent of benefit levels. Very few French couples choose deliberately not to have children, but an increasing proportion decide to have no more than two.

A study prepared last year for the French Economic and Social Committee, a Government advisory body, recommended that couples be encouraged to have a third child to assure replacement of the generations. This document, called the Sullerot Report,<sup>10</sup> stressed that overtly natalist measures would be perceived as interfering with free choice and would be received poorly by the public. It recommended that young persons be informed more adequately of the adverse implications for society of a continued low birth rate. The aim of policy, it suggested, should be to structure society so that children are welcomed and a true solidarity between the generations is practiced.

More specifically, the report recommended that the payment of children's allowances begin with the first child and that all family allowances be increased to meet the actual costs of child rearing. Although it is difficult to determine precisely what portion of a family's budget goes toward child rearing, it is well established that family allowances compensate for only a fraction of those costs. The proportion of family resources derived from family allowances has declined over a period of time. This trend has occurred because family allowances are indexed to prices,

which have risen much slower than wages. From 1970 through 1977, for example, family allowances increased by about 90 percent, compared with a rise of 146 percent in the minimum wage.<sup>11</sup>

Family allowance policy may well be at a critical juncture. Although it has never been demonstrated that family allowances have stimulated the birth rate, planners still believe policy should be more supportive of larger families and continue to view family allowances as a demographic tool.

### Neutral Treatment for Women

In the past, French family policy tended to support the traditional concept of the family, with the father as breadwinner and the mother as homemaker and child raiser. Currently, however, nearly half of all French women aged 15-64 are employed outside the home. The recent reform stresses a policy of neutrality toward women by treating them the same with regard to family allowances whether or not they engage in outside work. Specifically, the requirement that effectively limited certain allowances to single-earner families was dropped, and the means test for the family supplement was designed to take two incomes into account.

One criticism is that "neutrality" has not been fully achieved because of the means test. Although the new benefit is an improvement, a woman's earnings exceeding a certain level will disqualify her family from receiving the family supplement. On the other hand, the family supplement is too small to be a true "maternal wage," which some advocates argue is necessary to compensate for the income lost when a woman remains in the household.

Some recent measures have made it easier for mothers to work outside the home. Maternity leave has been extended from 14 weeks to 16 weeks. Either parent is entitled to guaranteed reemployment following an optional unsalaried leave of up to 2 years after the birth of a child. Legislation promoting part-time work and flexible hours has been passed. The major need of working mothers, however, is adequate day-care facilities. France has a wide range of such facilities and a relatively large number of spaces, especially for very young children. Though funds for child care have been increased, demand for them still exceeds the supply.

At the same time, the Government is attempting to provide nonworking women with an independent status in the social security system. The family supplement, for example, provides gratuitous credits toward a retirement pension in their own right under the old-age fund to low-income mothers with very young children or large families. This coverage is also extended to mothers of severely handicapped children who receive the special education allowance. Single parents receive free health coverage for themselves and their children. In these cases, the required contributions are paid by the family allowance fund to the other branches of the social security program.

<sup>10</sup> "La situation démographique de la France et ses implications économiques et sociales: bilan et perspectives," *Journal Officiel*, August 10, 1978.

<sup>11</sup> *Liaisons Sociales*, May 29, 1978.