

THE 500+ CHILD BENEFIT SCHEME AND SOCIAL WELFARE IN POLAND

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INTRODUCTION

Antony Giddens created the concept of 'the social investment state' (Giddens 1998), according to which the support of the state should be directed in particular towards groups which to the greatest possible extent guarantee specified, measurable benefits in the future, e.g. towards children. Such investments are intended to contribute to the growth of their human capital. They also ought to result in an improvement in their competences through the acquisition of new qualifications or a change in lifestyle, for example. This in turn should reduce the future burden on the state.

The justification to the 11th of February 2016 State Benefits to Support Children act¹ contains the three goals of the "Family 500+" programme:

1) A reduction in the poverty of, in particular large, families. As shown in the justification to the Act: *Families with children are at a larger risk of poverty compared to families who do not have dependent children: the percentage of families living below the relative poverty line among families with at least one child in the year 2014 was higher than among married couples without children (6,4% compared to 5,4%) and this increases proportionally with the number of children in large families and reaches the value of 24,1% in the case of families with three children and 48,3% in the case of families with four and more children;*²

2) long-term investment in children as a form of investment in human capital – partial coverage of the expenses of the parents and guardians of children arising from the high costs of upbringing and education³;

3) pro-birth – encouragement of decisions to have a larger number of children in order to revert, or at least hinder unfavourable demographic processes.

In accordance with the aforementioned Act, the right to child benefit to the amount of 500 PLN per month (tax-free) has been given since 1 April 2016 for every second and further child up to

the age of 18. Additionally, parents who meet the income criterion may also apply for this child benefit for their first child (an only child or the eldest child in the family up to the age of 18) or one of the twins as indicated by the authorized person. This means that the benefit for the first child is social and selective in nature (criterion of income). However, the benefit for the second and further children has a common character – it is applicable to all families, regardless of their income.

In order to receive the benefit for the first or only child, the income calculated per family member in a calendar year preceding the period for which the right to the child benefit is determined cannot exceed 800 PLN net, and if the family has a child with a moderate or significant disability – 1200 PLN net.

The child benefit is not calculated as part of the family's income when applying for other benefits (incl. family benefits, from the Alimony Fund, from social security, household allowance). Thus, families receiving the child benefit do not forfeit the right to receive aid within the scope of other systems.

It should be noted that a family which fulfils the income criteria may receive aid from several systems simultaneously. Therefore, a family which fulfils the criterion which grants the right to social security financial benefits also receives aid as part of family benefits with other allowances. Concurrently, if the family has a child with a certified disability, such a family may have the right to a attendance allowance and attendance benefit.

POVERTY IN POLAND IN THE YEAR 2015 AND 2016

According to data provided by the Central Statistics Office (GUS 2017: 12) the minimum subsistence indicators, i.e. the basket of commodities essential for maintaining human vital functions, as well as psychological and physical wellbeing decreased compared with 2015. The scope of poverty in 2015 encompassed 6.5% of people living below the subsistence minimum and decreased to 4.9% in the year 2016.

In the case of the statutory poverty line⁴ in 2016 an increase of 0.5% was recorded in comparison with 2015 and equalled 12.7%. Despite the raising of the statutory poverty line, there has been a decrease in the number of social assistance clients granted benefits by way of an administrative decision from 1,769,402 people to 1,604,692 people, i.e. by approximately 165 thousand people (a 9% decrease). Also a decrease has been recorded in the case of the relative poverty ratio⁵. In 2015 this ratio equalled 15.5%, while in the year 2016 it stood at 13.9% (a 1.6% decrease, similarly to extreme poverty).

According to GUS, the 1 April 2016 implementation of the child benefit is one of three factors which have mainly contributed to a reduction in extreme and relative poverty in 2016 among families with children⁶.

A reduction in poverty has been especially visible in relation to:

- a) children aged 0–17 years old (from 9% in 2015 to 5.8% in 2016);
- b) single person households (from 2.5% in 2015 to 2.0% in 2016);
- c) families with children:
 - with at least 4 children (from 18.10% in 2015 to 14.00% in 2016);
 - with 3 children (from 9.00% in 2015 to 4.70% in 2016);
 - with 2 children (from 4.00% in 2015 to 2.70% in 2016);
 - with 1 child (from 1.80% in 2015 to 1.70% in 2016)⁷.

A significant decrease in the scope of poverty has been observed especially among groups such as the following: large families with three and four or more children to support, households with disabled family members (from 9.1% in 2015 to 7.5% in 2016), inhabitants of villages (from 11.3% in 2015 to 8.00% in 2016) and cities below 20 thousand inhabitants (from 5.4% in 2015 to 4.00% in 2016)⁸.

According to the information provided by Eurostat from October 2017, the risk of poverty and social exclusion in recent years has seen the largest decrease in Poland – from 30.5% in 2008 to 21.9% in 2016. Latvia (5.7% decrease) and Romania (5.4% decrease) also feature in this ranking.

According to estimates by the Ministry of Family, Labour and Social Policy the share of state budget expenditures on family policies in the year 2014 and 2015 equalled 1.7% and 1.8% of GDP respectively. It is estimated that thanks to the implementation of the "Family 500+" programme the share of expenditures on family policies will record an increase to over 3% of GDP in the year 2017.

THE FAMILY 500+ PROGRAMME AND SOCIAL SECURITY BENEFITS

The above information is reflected in statistical data acquired by the Ministry of Family, Labour and Social Policy. As shown by departmental report MPiPS-03 on social security benefits granted – monetary, in kind and services – the number of families with children receiving social benefits in 2016 decreased by approximately 12%: from 504,326 families in 2015 to 444,710 families in 2016. This indicates that 59,616 fewer families with children are receiving social benefits compared with 2015.

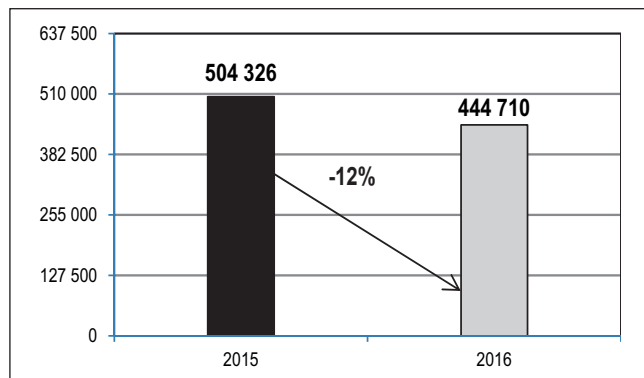
While analysing the types of multi-children families, it should be noted that in 2016 the largest decrease was recorded among families with seven and more children (approximately 17%) and families with five children (approximately 15%). In the case of other multi-children families a decrease of a similar magnitude was recorded (approximately 12%).

SOCIAL SECURITY ALLOWANCES

In accordance with the provisions of the 12th of March 2004 Social Security act⁹, social benefit supports individuals and families

in their efforts to meet their essential needs and enabling them to live in conditions in keeping with human dignity. Depending on their needs, families within the scope of monetary benefits are entitled to, among others, periodic benefits and designated benefits. Entitlement to and payment of the above-mentioned benefits fall within a commune's jurisdiction, are mandatory in nature and are subsidised from the state budget.

Figure 1. The number of families with children receiving social benefits in the years 2015–2016



Source:

Assistance in the form of a periodic benefit can be claimed by families, in particular due to long-term illness, disability and unemployment. In accordance with the department's statistical data, in 2016 an approximately 11% decrease was recorded in the number of families awarded this form of aid – from 459,828 families in 2015 to 408,075 families in 2016.

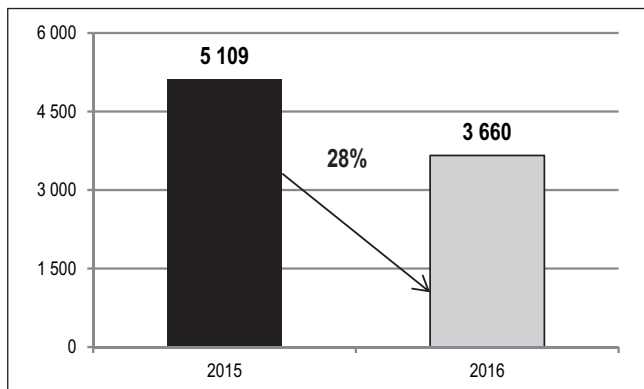
In turn, a designated benefit is granted for the purpose of meeting a necessary existential need and may be given in particular for the purpose of covering the partial or total costs of purchasing food, medicine and medical treatment, heating fuel, clothing or essential household utility items. The number of families entitled to a designated benefit in 2016 decreased by approximately 9% compared to the same value from the year 2015 (from 745,451 in 2015 to 680,206 in 2016 – that is, by 65,245). Data gathered in 2016 indicates that the number of families entitled to a designated benefit for the purchase of clothing decreased by approximately 28% compared to the preceding year (from 5,109 families in 2015 to 3,660 families in 2016). This indicates that in the year 2016 1,449 fewer families claimed a designated benefit for the purchase of clothing than the previous year.

THE "STATE NUTRITION ASSISTANCE" GOVERNMENT PROGRAMME FOR THE YEARS 2014–2020

A significant effect of the "Family 500+" programme is also observable in statistics kept in relation to the performance of the long-term programme for the financial support of communes in terms of nutrition, the "State Nutrition Assistance" government programme for the years 2014–2020. The programme provides financial support for communes in the execution of their own mandatory functions in the area of nutrition.

A strategic objective of the programme is to limit the occurrence of malnutrition among children and adolescents from low income families or families in difficult circumstances, with particular emphasis on students in areas affected by a high level of unemployment and rural communities. The number of children claiming assistance as part of the programme decreased from 916,569 in 2015 to 784,013 in 2016. This means that in 2016 132,556 fewer children took advantage of the programme compared with the preceding year (a decrease of 14.5%).

Figure 2. The number of families who claimed aid in the form of a designated benefit for the purchase of clothing. Comparison of data for the years 2015–2016



NUMBER OF FAMILIES AFFECTED BY VIOLENCE

The implementation of the child benefit has resulted in an improvement in the material and living conditions of many Polish families, including those affected by the issue of violence. The financial aid provided within the scope of the "Family 500+" programme has resulted in a decrease in the number of families affected by violence due to lack of financial resources. According to the collected data, in 2016 there was a 1,616 decrease in the number of such families when compared with the data from 2015, which is approximately 8.6%.

NUMBER OF FAMILIES ENTITLED TO ASSISTANCE IN THE FORM OF SOCIAL WORK

Social work is somewhat different in character when viewed in the context of other social security benefits. In accordance with the social welfare act, social work is provided for the purpose of improving the functioning of individuals and families in their social environment.

The primary objective of conducting social work is to develop and strengthen the activity and self-sufficiency of individuals and families. Contrary to the forms of assistance mentioned above, in 2016 a 2.3% increase in the number of families assisted by social work was recorded (i.e. 4,742 families more than in the year 2015). The implementation of the "Family 500+" programme has resulted in families with children striving towards greater self-sufficiency and forgoing social assistance thanks to an improvement in their material and living circumstances. Thus, social workers are able to concentrate their efforts on families that require significant support in improving their situation.

CONCLUSION

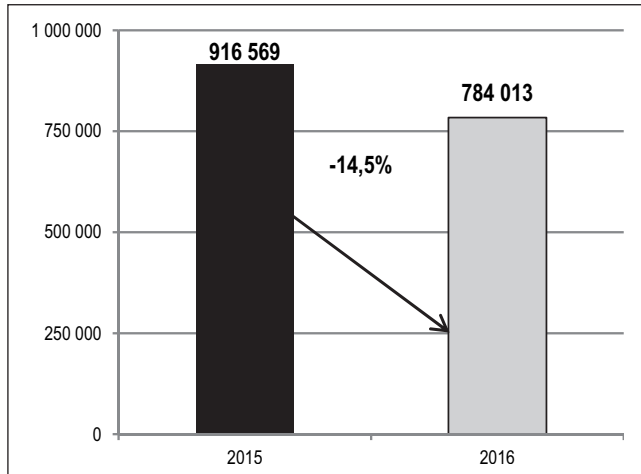
The long-term social policy in terms of counteracting the effects of poverty in recent years has resulted in an improvement

SUMMARY

The Act of 11 February 2016 on state aid in raising children introduced the right to untaxed child benefits of PLN 500 per month, which is granted to each second and subsequent child until they are 18 years of age. This benefit is an investment that is intended to increase human capital and support families in ensuring their children's safety and favourable conditions for raising children, and thus aims to reduce the phenomenon of child poverty.

Keywords: child benefit 500+, family, poverty, social assistance, social work

Figure 3. The actual number of children covered by the 'State Nutrition Assistance' government programme in the years 2015–2016



the standard of living for Polish society, with a particular emphasis on families with children.

Improvements within the labour market and increases in remuneration are also of key importance. Neither should the role of social policy in general, and the "Family 500+" programme in particular, which at a normative level considers children as a 'collective public good' be understated either. Concurrently, the support received in the form of this form of child benefit has resulted in many families achieving greater self-reliance, inter alia by becoming less dependent on social security benefits.

¹ Journal of Laws 2016, pos. 195 as further amended.

² *Justification to the State Aid for Child-Support act* (p. 4) based on GUS (Central Statistical Office) 2015.

³ *Ibid.*, p. 7.

⁴ The statutory poverty line is specified as a sum which, in accordance with the applicable social assistance act, entitles someone to apply for monetary benefits from social security.

⁵ The relative poverty line is specified as 50% of the average expenses of an average household (calculated based on the results of a study on household budgets).

⁶ *Ibid.*

⁷ *Ibid.*, p. 5.

⁸ *Ibid.*, p. 1–7.

⁹ Journal of Laws 2017, pos. 1769.

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