

REPORTS AND ENQUIRIES

Family Allowance Schemes in 1947: I

An article in the Review in April 1940¹ outlined the growth of legislation on family allowances up to 1939, and analysed the provisions in effect at that time. Short notes have also appeared from time to time in the "Industrial and Labour Information" section on new family allowance measures. In view of continuing developments and the numerous requests received by the Office for information regarding legislation on family allowances, it has seemed desirable to present another survey of such legislation which takes account of wartime and post-war changes in the older schemes as well as the introduction of new schemes.

A survey of present schemes accordingly appears below. The article will be concluded in the May issue of the Review with a description of the varying rates of allowance and systems of finance and administration in the national schemes.

Family allowance schemes, which had already exhibited a tendency to spread before the second World War, did not cease to grow even during the war, and their expansion has continued in the post-war years. The economic problems which families face in endeavouring to balance their incomes and expenditures for family needs, including the rearing of children, have led more and more countries to establish programmes of family grants. In some parts of the world, family allowances have now become a major element in the social security structure, along with other income-maintenance measures.

The present article presents a survey of existing general schemes of family allowances. No attempt is made, however, to give a detailed chronology of the legislative and administrative steps taken in developing each plan, or a detailed description of the structure and operations of each one. The most recent amendments of the scheme of each country have been taken into account as far as possible, but as some schemes are still in a state of flux, it is possible

¹ Vol. XLI, No. 4, pp. 337-370: "Recent Developments in Compulsory Systems of Family Allowances", by Claire HOFFNER.

that not all of the most recent changes have been included in every case. Further, it should be realised that, in some of the countries now in the grasp of severe inflation, the family allowances authorised by existing laws may have little real meaning in terms of current purchasing power and that they often now possess only a token or symbolic significance. Nevertheless, the provisions contained in the present legislation of these countries are of interest, since they undoubtedly will influence greatly the types of measure adopted after stable currencies have been re-established.

In general, the present article deals only with plans which provide for recurring cash payments on behalf of children to a large proportion of a nation's families. It does not consider at all, or makes only passing reference to, related family welfare legislation dealing with matters such as the following: lump-sum birth grants or loans; allowances in respect of adult dependants; allowances in kind or in the form of services; supplements on behalf of children payable only to social insurance beneficiaries; special concessions or privileges extended to large families; wholly voluntary schemes for family allowances which have no legislative basis; and governmental schemes confined exclusively to one or a few small occupational groups. In short, the article is concerned mainly with family allowance schemes proper which have fairly general application.

PREVALENCE OF PLANS

At the present time, family allowance schemes of broad scope are in operation in more than 25 nations of the world. This contrasts with the eight nations noted as having schemes in the article on family allowances in the *Review* in 1940. The steady growth in recent years of the belief that society should intervene to assist in supplementing the income of families with children is strikingly manifested in this comparison. While there is much diversity in the nature of existing plans, they all appear to have the common objective of improving the economic position of families and especially larger families.

Of the family allowance schemes reviewed in this article, 17 are found on the continent of Europe: in Belgium, Bulgaria, Czechoslovakia, Finland, France, Hungary, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Rumania, Spain, Sweden, Switzerland and the U.S.S.R. In addition, regulations concerning employer contributions under the new Yugoslav social insurance system which came into force in 1947 include a 6 per cent. contribution for family allowances. It is apparent that there are very few countries on the European continent which have no scheme at the present time, and studies of the possibilities of adopting a plan have already been undertaken in some of these. The United Kingdom and Ireland complete the list of European nations which already have schemes in operation providing for family allowances.

In the Western Hemisphere, plans of diverse scope exist in four countries: in Canada in North America and in Brazil, Chile, and Uruguay in South America. In addition, Argentina has several special schemes for particular classes of employees, while Bolivia and Peru each has a special scheme for a single group of workers.

The absence of family allowance legislation in the United States makes it one of the very few industrialised countries of the world which does not have a scheme.

Family allowance schemes are found in the Far East only in Australia and New Zealand. In the Middle East, a scheme has been established in the Lebanon.

EVOLUTION OF LEGISLATION

Pre-War Schemes.

The *Review* article of 1940 noted that family allowance laws had been enacted in eight countries by the end of 1938, in the following sequence: New Zealand (1926), Australia (State of New South Wales) (1927), Belgium (1930), France (1932), Italy (1936), Chile (1937), and Spain and Hungary (1938). Plans continue to function in each of these countries at the present time, but generally they have undergone substantial modification, and their scope has been extended. The main steps in the development of these schemes are briefly reviewed here.

The *New Zealand* scheme introduced in 1926 was limited by a means test to low-income families. This feature was retained when the scheme was absorbed into the Dominion's general social security system by the Social Security Act, 1938, which statute with its amendments provides the general framework for the present family benefit scheme.¹ As from 1 April 1946, however, the income qualification for family benefits ceased to apply, and a universal scheme was thereby established. Through amendments, a progressive increase has occurred in the coverage and size of family benefits paid under the New Zealand system.

The limited scheme which had been set up in *Australia* by the State of New South Wales in 1927 was replaced in 1941 by a new and comprehensive Commonwealth plan established by the Child Endowment Act of 7 April 1941. Various provisions of the 1941 Act were modified or liberalised by amendments in 1942² and 1945. A consolidation of all provisions was effected in the Social Services Consolidation Act of 11 June 1947.

An extensive system of family allowances was in operation in *Belgium*, originally on a voluntary basis and later on a compulsory basis, for a number of years prior to the second World War. Payment of family allowances to employed persons had been made compulsory by statute in 1930, and a 1937 Act made provision for their gradual extension on a mutual basis to families of independent workers and employers. A Legislative Order issued on 28 December 1944, shortly after the liberation of the country, brought the financing of family allowances for employed persons within the framework of the new Belgian post-war social insurance scheme and provided for improvement of the pre-war system of allowances. A substantial increase over pre-war levels in the rates of allowance was provided by a

¹ For the consolidated text of the Act, see I.L.O.: *Legislative Series*, 1942, N.Z. 1; amendments, 1943, N.Z. 1; 1945, N.Z. 2; 1946, N.Z. 3.

² For the consolidated text of the Act, see *idem*, 1942, Austral. 4.

Regent's Decree of 29 December 1944, which became effective in 1945.¹ Subsequent Orders and Decrees during 1945-1947 further modified the scope of the Belgian system and increased the size of the allowances paid.

In *France*, the payment of family allowances was carried on voluntarily by employers from the first World War until 1932, when an Act gave legal recognition to the existing system and made provision for its compulsory extension to all industries and occupations. During the following seven years, the system gradually developed through a series of decrees and other measures until the scheme applied to nearly all occupations and regions. In 1939, a Presidential Decree promulgating the so-called French Family Code provided for all family allowance schemes to be absorbed into a unified system.² After the war, an Ordinance of 4 October 1945 provided for the integration of the administrative and financial organisation of family allowances with that of the general social security scheme. Subsequently, an Act of 22 August 1946, which is a part of the French programme for post-war reform of all social security legislation, repealed various previous legislation on family allowances and set up a new and liberalised scheme³; gradual application is now being given to the provisions of the 1946 Act.

The first legislation dealing with family allowances in *Italy* was a Royal Decree of 21 August 1936, making such payments compulsory in industry; previously, they had been provided only under collective agreements. Subsequent legislation made them compulsory in other branches, until finally an Act on 6 August 1940 established a generalised and comprehensive scheme. Wartime orders and post-war decrees by the new Government have further extended the scope of the scheme and have provided, on several occasions, for substantial increases in rates of allowance and contribution.

A scheme of family allowances for salaried employees was introduced in *Chile* by an Act of 5 February 1937. Its scope was considerably extended by a 1941 Act.⁴

In *Spain*, the Act of 18 July 1938, instituting a compulsory system of family allowances, was followed by an Act in 1939⁵ extending benefits of the scheme to widows and orphans and by a 1943 Act⁶ applying the system compulsorily to agriculture. The original rates of allowance were increased by a Decree of 22 February 1941⁵ which also provided for other family benefits. A Decree of 27 July 1943 raised allowance rates still further.⁷

The plan for manual workers of larger employers, established in *Hungary* by an Act of 28 December 1938, was amended in 1942 to increase considerably the size of allowances payable, and again in

¹ Cf. "The Belgian Social Security Scheme", by Paul GOLDSCHMIDT, *International Labour Review*, Vol. LV, Nos. 1-2, Jan.-Feb. 1947, pp. 46-61.

² Cf. "Family Allowances in France", *idem*, Vol. LII, Nos. 2-3, Aug.-Sept. 1945, pp. 196-210, for a detailed review of the development of family allowances in France up to 1945.

³ *Idem*, Vol. LVI, No. 1, July 1947, p. 86.

⁴ Cf. I.L.O.: *Legislative Series*, 1937, Chile 1.

⁵ *Idem*, 1941, Sp. 3.

⁶ *Idem*, 1943, Sp. 1.

⁷ *Idem*, 1943, Sp. 4.

1945 to extend it to salaried employees also. Owing to inflation, it was suspended for a time in favour of grants in kind, but was revived and substantially reorganised by the Government Orders of 13 October 1946 and 4 February 1947.

Wartime and Post-War Schemes.

Throughout the war and during the immediate post-war years schemes of family allowances were started in many more countries. Schemes established during this period are noted below in chronological order.

A comprehensive and compulsory system of family allowances was established in the *Netherlands* by the Family Allowances Act of 1939.¹ Previously, a number of voluntary plans had been set up under collective agreements or otherwise for employees in private industry, Government employees, and school teachers. Some of these plans were officially recognised and allowed to continue as special schemes after the passage of the 1939 legislation. Various changes, including increases in rates of allowance and the inclusion of smaller families, have been made in the provisions of the scheme during its eight years of operation.

One new scheme was instituted in 1941 and two new ones in 1942. Family allowances based on a means test were authorised for large families in *Brazil* by a Legislative Decree of 19 April 1941; regulations governing the new scheme were issued on 22 April 1943 and it was put into operation shortly afterwards.² A broad system of allowances was instituted in *Bulgaria* by regulations issued on 4 August 1942, such allowances previously having been payable only to State employees. The scheme was further elaborated in regulations of 17 December 1943. In *Portugal*, a general scheme was adopted by a Legislative Decree of 13 August 1942³, a special scheme for officials and employees of the State being added by a Decree of 20 February 1943. A new text of provisions for the general scheme was promulgated in a Legislative Decree of 29 January 1944, which amended the 1942 legislation in various ways.⁴

Family allowance systems were established in four additional countries in 1943. Legislation establishing a new scheme in *Finland* was enacted on 30 April 1943 with provisions for it to come into operation in July of that year.⁵ Subsequent amendments, Orders, and resolutions of the Council of State have elaborated and modified provisions of the original Act; Acts of 18 October 1945 and 1 July 1946 liberalised the provisions regarding the size of families qualifying for the allowance. Family allowances were established in the *Lebanon* by a Legislative Decree of 12 May 1943. In *Switzerland*, family allowances are applied through cantonal legislation, the first compulsory scheme being adopted by the canton of Vaud in an Act of 26 May 1943. Subsequently several other cantons, including Geneva, Fribourg, Neuchâtel, and Lucerne, enacted similar legislation. Family allowance schemes are also operative in some of the

¹ Cf. I.L.O. : *Legislative Series*, 1941, Neth. 7.

² *Idem*, 1943, Braz. 2.

³ *Idem*, 1942, Por. 1.

⁴ *Idem*, 1944, Por. 1.

⁵ *Idem*, 1943, Fin. 2, A.

other cantons on a voluntary basis. On 12 November 1943, an Act was adopted in *Uruguay* which introduced a family allowance system of broad scope but with an income limit.

The year 1944 also saw the enactment of four new Acts concerning family allowances. By the Children's Allowances Act of 23 February 1944, a new scheme of allowances was established in *Ireland*¹; this was later amended by an Act of 2 April 1946. In the *U.S.S.R.*², where for some years payments had been made only to very large families, a Decree issued on 8 July 1944 provided for the granting of allowances to smaller families and reorganised the earlier provisions in other ways. A Decree amending the 1944 provisions was issued on 26 November 1947. A new and inclusive family allowance system was established in *Canada* by an Act of 15 August 1944³ which provided for the payment of allowances to begin in July 1945; an amendment to this Act was added by an Act of 31 August 1946.⁴ Also in 1944, a Decree was issued in *Rumania* making payment of family allowances compulsory, from 1 June 1944, for most of the employers in the country.

Schemes of family allowance were established for the first time in the United Kingdom and Czechoslovakia by Acts adopted in 1945. The comprehensive *British* plan, set forth in the Family Allowances Act of 15 June 1945⁵, embodied a number of the recommendations contained in the Beveridge Report and in the subsequent White Paper⁶ on Social Insurance. Payment of the allowances began on 6 August 1946. In *Czechoslovakia*, where children's bonuses had been granted formerly only to recipients of old-age and invalidity pensions, the Provisional National Assembly on 13 December 1945 adopted an Act which established a new family allowance plan of quite broad scope.⁷ The Family Allowances Act of 1945 was one of a series of statutes enacted after the end of the war to adjust social insurance legislation and other social measures to the price increases which had occurred. The 1945 Act was substantially amended and expanded by an Act of 2 April 1947.⁸

The setting up of a new system of children's allowances on a nation-wide basis was provided for in *Norway* by an Act of 26 October 1946.⁹ Payments under this Act began to fall due in the last quarter of 1946.

In 1947, a comprehensive scheme of family allowances was adopted by *Sweden* in the Act of 26 July: the Act came into force on 1 August 1947. Another Act passed at the same time provides additional allowances to orphans and to children of widows, disabled persons, and old-age pensioners, on the basis of a means test, and replaces an earlier Act on the same subject.¹⁰ A new plan was also set up in *Luxembourg* by an Act of 20 October 1947. Finally, by a

¹ Cf. *International Labour Review*, Vol. L, No. 3, Sept. 1944, p. 397.

² Cf. "Social Insurance in the Soviet Union", p. 271, *idem*, Vol. LV, Nos. 3-4, Mar.-Apr. 1947.

³ Cf. I.L.O.: *Legislative Series*, 1944, Can. 3.

⁴ *Idem*, 1946, Can. 3.

⁵ Cf. *International Labour Review*, Vol. LII, No. 5, Nov. 1945, p. 548.

⁶ *Idem*, Vol. L, No. 5, Nov. 1944, p. 668.

⁷ Cf. I.L.O.: *Legislative Series*, 1945, Cz. 3.

⁸ *Idem*, 1947, Cz. 2.

⁹ Cf. *International Labour Review*, Vol. LVI, No. 3, Sept. 1947, p. 345.

¹⁰ *Idem*, Vol. LVI, Nos. 5-6, Nov.-Dec. 1947, p. 617.

Decree of 28 October 1947, a new scheme of family allowances was established in *Poland* where formerly they were paid only under collective agreements. The new Decree was to come into force on 1 January 1948.

It should also be noted that in various countries which do not yet have legislation on family allowances, the feasibility of adopting such legislation has been studied ; this has been the case, for example, in Denmark, Greece, and the Union of South Africa.

OBJECTIVES OF FAMILY ALLOWANCES

To understand the reasons underlying the rapid growth of legislation on family allowances, it is instructive to examine briefly the aims of the legislation. Diverse factors as well as problems peculiar to individual nations have undoubtedly been responsible for the variations in the schemes in the various countries. Moreover, multiple short-term and long-term objectives were probably in the minds of the law-makers of each separate country when they adopted a particular scheme. Despite these circumstances, it is possible to distinguish several primary considerations which appear to have prompted the establishment of plans of family allowances. These considerations may conveniently be grouped under the separate headings of social, demographic, and economic policy, although all are substantially inter-related.

Social Objectives.

As an element in national social policy, family allowances are presumably designed, first and foremost, to raise the standards of living of children and of families containing children. Wages and other forms of income, not customarily being varied according to the family responsibilities of the recipient, have too often proved inadequate to cover the basic needs of families with children. The result is that many children are raised in conditions of poverty which impair their mental and physical development. Malnutrition, inadequate shelter, ill health, interrupted schooling, and juvenile delinquency—to mention only a few of the accompaniments of poverty—inevitably affect the well-being of the individual child, both while he is young and to some extent throughout life. Simple considerations of social justice have suggested that these conditions should be improved.

The problem is accentuated at times when living costs are abnormally high. The ill effects of inflation fall with disproportionate weight on families with children and, in turn, on the children themselves.

Moreover, the children of today are the adults of tomorrow. The persistent tendency for a large proportion of all children to be concentrated in families receiving relatively the lowest incomes has been observed in a number of countries. The long-term effects upon the welfare of a nation of allowing a major portion of its next generation of citizens to be raised under near-poverty conditions are sufficiently serious to be of prime social concern, quite apart from any humanitarian interest in the present well-being of children.

The desire to improve the physical circumstances in which children are raised, as well as to strengthen the family environment within which they live, undoubtedly has accounted for much of the spread of schemes of family allowances during the past two decades. The inflation and shortages occurring during or after the war, in virtually every country, have intensified the concern over the hardships which inadequate incomes bring to families with children.

In countries in which the social programme includes a comprehensive system of social insurance protection against major economic risks, the payment of family allowances may also in some cases be regarded as a necessary complement to the scheme of insurance benefits. That is to say, unless family allowances are payable, the insurance scheme may be unable to provide adequate benefits for low-income workers with families in case of interrupted earnings without paying them more in benefit than they receive when working.

Demographic Objectives.

There is abundant evidence in official studies made prior to the enactment of legislation, as well as in parliamentary discussions, that another important motive has been a desire to increase the birth rate. Declining birth rates in numerous countries have pointed to the eventual prospect of a decline in population. This could involve, in the long run, a serious threat to national existence, apart from its depressing influence on the economic life of a nation. Demographic considerations of this kind have received special attention in a number of European countries.

As a result of this type of preoccupation, provisions for family allowances have frequently formed part of a broader series of enactments designed to encourage and stimulate, in various ways, child-bearing and the rearing of large families (*e.g.*, in Belgium, Bulgaria, France, Spain and the U.S.S.R.). This demographic orientation is also reflected to a certain extent in the internal design of some of the schemes. Their eligibility requirements, formulas for determining the size of the allowance payable to each family, and related provisions, seek to afford a progressively increasing inducement to the rearing of larger families.

Economic Objectives.

Because of the greater prevalence of children in families of low income, an express or implicit objective of family allowance measures is sometimes to modify the existing allocation of the national income. The extent to which this is achieved, of course, is dependent upon the sources from which the revenues of the family allowance scheme are drawn. A greater amount of redistribution probably takes place if the State finances the scheme out of the proceeds of progressive taxes, for example, than if the revenues are derived wholly from employer contributions shifted forward into the retail prices of the necessities of life, or than if the revenues are obtained in substantial part from contributions by the workers themselves.

A closely related economic purpose which appears to underlie some of the schemes is the maintenance of domestic purchasing power, particularly that of lower-income families. This objective has been explicitly cited, for example, in connection with the

Canadian Act. A stabilised flow of income in the form of family allowances to a substantial segment of a nation's families, in good times and bad, is regarded in some countries as an important element in programmes for maintenance of high employment levels. This feature of family allowances naturally is assigned less weight in periods of inflation and manpower shortages such as the present; it will undoubtedly be emphasised again, however, if prospects of shrinking employment appear.

It is interesting to note, in considering the economic aspects of family allowances, that in the past they have sometimes been used in periods of rising costs of living to provide a selective as distinguished from a general increase in wages. This has been particularly true of schemes originating through voluntary employer action. It was believed that whereas a general rise in wages by raising costs might generate a further upward spiral in prices, the payment of special allowances only to workers with children would serve to mitigate the cases of worst hardship with a much smaller impact on the general cost structure.

In the early period of the family allowance movement, there was a tendency to regard the payments, in effect, as a part of wages; that is, they were thought of as a supplemental wage for workers with families. As expansion of the coverage of older schemes and the introduction of new schemes led to greater generalisation of the payments, and as governmental supervision or administration of the plans increased, however, a new interpretation emerged, according to which family allowances are regarded not as a supplement to wages—and still less as a relief grant—but rather as a social measure for maintaining incomes which sovereign States for reasons of social and economic policy establish as a right for families containing children. This principle is seen in its clearest form in the "universal" schemes and is somewhat diluted in schemes restricting payments on the basis of employment status; the continuing efforts and desires to broaden the coverage of the latter schemes, however, reflect the broad goal of universality toward which most of the plans are striving.

The policies reflected and purposes sought in family allowances are well summed up in the section dealing with the maintenance of children in the Income Security Recommendation (No. 67) adopted by the International Labour Conference at Philadelphia in 1944.

Society should normally co-operate with parents through general measures of assistance designed to secure the well-being of dependent children. (1) Public subsidies in kind or in cash or in both should be established in order to assure the healthy nurture of children, help to maintain large families, and complete the provision made for children through social insurance. . . . (3) Where the purpose in view is to help to maintain large families or to complete the provision made for children by subsidies in kind and through social insurance, subsidies should take the form of children's allowances. (4) Such allowances should be payable, irrespective of the parents' income, according to a prescribed scale, which should represent a substantial contribution to the cost of maintaining a child, should allow for the higher cost of maintaining older children, and should, as a minimum, be granted to all children for whom no provision is made through social insurance.

In considering the objectives of family allowance plans, it is interesting to note the requirements of some of the legislation

regarding the purposes to which families must devote the allowance. The Australian child endowment provisions require the allowance to be applied to the maintenance, training, and advancement of the child in respect of whom it is granted. Canadian law requires discontinuance of the grant unless it is used exclusively for the maintenance, care, training, education, and advancement of the child. In New Zealand, the allowances must be used exclusively for the maintenance or education of children on whose behalf they are paid. In contrast to these Dominion provisions, the United Kingdom Act expressly states that the allowances are paid for the benefit of the family as a whole. In Portugal, allowances are subject to suspension unless used for the maintenance, clothing, and education of the dependants in respect of whom they are paid. The Brazilian Decree requires the head of the family to use the allowances for purposes connected with the maintenance and education of his children, including their physical, intellectual and moral training. In Finland, it is required that payments be actually used to cover the additional expenses entailed by the maintenance of children.

A comparative analysis of the principal features of existing family allowance schemes is presented below. Special attention is given to the relative inclusiveness of their coverage of families with children, the characteristics of children in respect of whom allowances are payable, rates of allowance, methods of financing, and administrative structure. As far as possible, the analysis is in terms of the most recently amended form of the various plans.

FAMILIES COVERED

In comparing the coverage of the plans of different countries, the provisions determining the proportion of families eligible for the allowance may be considered under three main headings: occupational and income groups covered, size of families covered, and residence and citizenship requirements.

Occupational and Income Groups Covered

Universal Schemes.

Seven of the plans covered by this survey, those of Australia, Canada, Ireland, New Zealand, Norway, Sweden and the United Kingdom, may be described as "universal" schemes. Under these plans, the allowances, in principle, are granted as a right by the State to every family meeting the prescribed requirements as to size of family, citizenship, and residence. Families qualify for an allowance in each of these countries irrespective of the employment status of the head of the family or of the means of the family. Thus, the allowance continues automatically during employment, whether the worker is a wage or salary earner or is self-employed, in any field of activity; during periods of unemployment, sickness, disability or retirement, whether or not a social insurance benefit is being received; and in the case of the father's death. In general, the only substantive showing that need be made in the claim for an allowance is that the family contains a specified number of dependent children who are below the maximum age limit.

The generality of these schemes is modified to some degree, however, to prevent the payment of allowances when children are already receiving substantial support from public funds in other forms. For example, the child endowment of *Australia* is not payable in respect of children who are inmates of Commonwealth or State mental hospitals and whose expenses of maintenance therein are wholly or mainly a public charge; it is payable, however, to other approved public and private charitable institutions having children as inmates. *Canadian* law authorises the reduction or withholding of allowances in the case of children for whose maintenance other types of Government aid are being paid, except where such aid is under the Pension Act or is a dependant's allowance payable to a member of the armed services. In *Ireland*, children permanently residing in publicly supported institutions or detained in a reformatory cannot qualify. The *British* allowances are not payable on behalf of children in the care of a Poor Law authority or detained by public authority, nor for full orphans for whom a guardian's allowance is being paid. The *Norwegian* plan provides for suspension of the allowance if a child is entirely supported for longer than three months by the State or local authority or by an insurance fund. The *Swedish* scheme also excludes children maintained entirely by the State.

Worker Schemes.

Eligibility of family heads for allowances under most of the remaining national schemes is largely attached to gainful employment of specified types. The major categories of workers covered under the various plans are first compared below. This is followed by a review of the minimum period of qualifying employment required for receipt of the allowance under the different legislation, and of the circumstances under which the allowances are continued on termination of employment. Among schemes limiting payment of allowances basically to families of workers, the coverage of the French, Belgian, Spanish and Bulgarian plans may first be considered, since each of these schemes not only covers most employed workers but also extends in some degree to independent or self-employed workers.

The scope of the present system of family allowances in *France* is very broad and approaches closely to universality, although the coverage has been built up in the past on a somewhat segmented basis through separate funds and systems. By the Act of 22 August 1946, allowances are payable in principle to every head of a family of specified size except those not engaged in a gainful occupation although having the ability to do so. Thus, in addition to employed workers, there are included independent workers, employers, merchants, farmers and professional persons. The so-called "single-wage allowance" described in a later section is payable, however, only to employed workers. Under the *Belgian* general scheme, allowances are paid compulsorily in respect of the children of virtually all employed persons, including wage earners and salaried employees. Miners and seamen have separate social insurance schemes but these provide family allowances identical with those of the general scheme. Independent workers and employers are not included under the scheme for employees but a statutory system on a mutual basis is

available to them. In *Spain*, the general scheme together with its special branches embraces the families of all employed wage earners, salaried employees, and officials ; of home workers ; and of farmers operating their own farms who have no permanent employees. The *Bulgarian* system extends, in general, to all employees of public and private undertakings who are covered by any branch of social insurance ; independent workers organised in co-operatives are also eligible for the allowance.

About one half of the countries whose family allowance systems are reviewed in this article restrict payments to the families of workers in the employ of others or to those of ex-workers. In the case of some of these, however, certain categories of employees are excluded. The 13 countries which cover mainly employees or ex-employees are Italy, the Netherlands, Czechoslovakia, Switzerland, Hungary, Portugal, Luxembourg, Poland, Rumania, the Lebanon, the U.S.S.R., Uruguay and Chile.

The *Italian* scheme provides for the granting of family allowances as well as "cost-of-living" allowances in respect of the dependants of virtually all employed workers including those in agriculture ; home workers and domestic workers, however, are not covered by the plan. Although administration is centralised, the coverage of the scheme is organised in seven separate branches : industry, agriculture, commerce, credit, insurance, public services and professions. The *Netherlands* system covers, in principle, all privately and publicly employed persons other than casual workers, although employees covered by officially recognised special schemes providing equivalent benefits are excepted from the general scheme. In *Czechoslovakia*, the plan includes all employees covered under compulsory sickness insurance, for which separate schemes exist covering wage earners, miners, salaried employees, and public employees, respectively. The *Swiss* cantonal laws on family allowances, though not uniform, tend to apply in general to all employed persons ; some of the funds, however, limit payments to wage earners and exclude salaried workers.

The *Hungarian* law is applicable to all workers compulsorily covered under social insurance except those working in agriculture, the postal service, and State railroads. The coverage of the *Portuguese* system embraces all employees in industry, commerce, and the professions as well as those in the service of corporate bodies and social welfare institutions ; Government employees of both civil and military branches are included under a special scheme. No provision is made for agricultural, home, or domestic workers.

The plan established by *Luxembourg* extends to employees in industry, commerce, agriculture, the professions, public services, and skilled trades. The *Polish* scheme includes all insured persons covered under sickness insurance. The *Rumanian* plan instituted in 1944 and the *Lebanese* scheme of 1943 were both made applicable only to workers employed by industrial and commercial firms. In the *U.S.S.R.*, allowances are payable to workers covered by the State social insurance scheme. This scheme applies compulsorily to all employed persons, including both those employed in the "socialised sector" and employees of private undertakings.

Under the family allowances plan of *Uruguay* the payment of allowances is also limited to employed persons, but in addition there is an income limit on eligibility for allowances. The plan

embraces all wage earners and salaried employees in industry, commerce and agriculture. Home workers and employees of mutual aid and co-operative societies are covered, but domestic and rural workers not employed in undertakings are excluded. Allowances are payable only to families whose incomes, including the earnings of the family head or of the husband and wife combined, are such that the addition of the allowance will not raise the total income above 200 pesos monthly.

The *Chilean* general scheme is classed separately here, since its coverage is limited to salaried employees. It covers the families of most salaried workers employed by private industry or autonomous public establishments. Public employees, employees of newspapers and periodicals, and certain other salaried employees, are covered under special plans. Special schemes, limited in some instances to lower-income workers, have been established in *Argentina* for employees of banks, railroads, and Government units. *Bolivia* also has a special scheme for bank employees, while *Peru* has one for teachers in State schools.

Qualifying conditions of worker schemes. The plans in which coverage for family allowances is associated with employment necessarily contain various types of eligibility provision which are not required under universal schemes. Among these are provisions concerning the minimum duration of employment needed to qualify for the allowance; conditions under which the payment of allowances continues in case employment is terminated; and status of the allowance when the family head is also in receipt of social insurance benefit.

Allowances are paid under the *French* scheme not only to all persons who are currently engaged in a gainful occupation but also to any person who is incapable of gainful work. To be regarded as gainfully occupied, a person must devote to an occupation the average time that it requires and draw his normal living from it. Several categories of persons are presumed to be incapable of work and thus automatically qualified for an allowance on behalf of children. These include women supporting two or more children, widows of recipients of allowances, recipients of an old-age pension or allowance, invalidity pensioners who are totally incapacitated, recipients of an employment-injury pension with 85 per cent. incapacity and persons temporarily incapacitated by work injuries, registered unemployed persons, and recipients of sickness and maternity benefits. In addition, allowances are payable to other persons not gainfully engaged who can prove their inability to work by reason of age, health, pursuit of professional studies, etc.

In *Belgium*, to receive the allowances at the full monthly rate, workers must have at least 23 days of employment during the month including days of actual work, days of rest, and days of paid leave; otherwise, the allowance is computed at daily rates according to the number of days actually worked. Payment of the allowance continues during sickness or, in the case of a pensionable accident, if the worker is at least 66 per cent. incapacitated; and it is payable to previously employed invalidity and old-age pensioners. When a worker dies in consequence of an industrial injury or occupational disease, the allowance is continued for a period of time. In *Spain*, allowances are computed on a daily basis, rather than the customary

monthly basis, for persons belonging to the scheme only intermittently or whose employment by a given employer is of a casual nature. Allowances are paid to recipients of sickness and employment-injury benefits and to orphans and widows of workers if not in receipt of other pensions and without adequate means of subsistence. Under the *Bulgarian* plan, the full monthly allowance is payable only if the worker has at least 13 days of employment during the month, including paid holidays and absence for family, sickness or maternity reasons. For from 6 to 12 days of work, half the regular allowance is paid ; no allowance is paid for less than 6 days of work in a month.

The *Italian* allowances are payable on a daily, weekly, semi-monthly, or monthly basis, depending on the nature and amount of employment during a period. Recipients of benefits for employment accidents or occupational diseases continue to receive the allowance for a maximum of three months. Persons absent from work on account of sickness may receive it for the duration of their sickness benefit. Extension is also authorised in cases of recuperation in a tuberculosis sanatorium, pregnancy, or military service. Under the *Netherlands* system, only a daily rate of allowance is prescribed in the law ; this is payable in respect of every day on which the worker has worked or for which he has received wages in case he did not work. To qualify for a family allowance during a quarter in *Czechoslovakia*, workers must have been compulsorily insured under sickness insurance for at least one half of the current or of the current and preceding quarters. Allowances are payable to workers while they are in receipt of sickness benefit, and to old-age and accident pensioners unless they already receive a children's bonus which is as large as the allowance. In *Hungary*, 15 days of insured employment in a month are required for the worker to qualify for a monthly allowance. Payment of the allowance continues during receipt of sickness benefit up to one year ; and the surviving orphan of an insured worker continues to receive the allowance for six months after the death of the parent. In other cases of cessation of employment, the allowance is continued for three months, if payable during the preceding three months, or otherwise for a shorter period equal to the duration of the preceding employment.

The full monthly allowance is payable in *Portugal* only if the days worked in a month number at least 20 ; otherwise, the amount of the allowance is proportionate to the number of days actually worked. The right to the allowance continues so long as the contract of employment lasts, even though the worker is temporarily unable to perform the agreed services on account of sickness, employment injury, absence on holiday, or compulsory military service. The *Polish* scheme makes all workers eligible for the monthly payment who have been under a contract of employment for at least two weeks during the month ; and also covers pensioners and other social insurance beneficiaries. The *Rumanian* scheme provides for a proportionate scaling down of the monthly allowance for days during which a worker is absent from work without valid cause. Allowances are continued under the *Uruguayan* plan for so long as the contract of employment is in force, so that in some circumstances they are payable during sickness, accident, or other periods when wages are not being earned. In *Chile*, persons receiving an annuity cannot also receive a family allowance.

Means-Test Schemes.

In addition to the income limit under the Uruguayan plan mentioned above, a means test is also applied in the coverage of the Brazilian and Finnish schemes. These two schemes are, in a sense, universal schemes for low-income families of specified size. In *Brazil*, an allowance is payable to every head of a family of specified size whose remuneration is not sufficient to cover the essential minimum subsistence requirements of his children. These are defined to include those whose earnings are less than double the minimum wage in force in the locality where they live. The allowance is granted irrespective of the nature of the man's work except that public employees, covered under a separate plan, are excluded from the general plan. Heads of families who are not engaged in work of any kind, whether because of disablement or some other circumstance beyond their control, are nevertheless entitled to the allowance, even though in receipt of a retirement or other pension. Families otherwise eligible and the head of which is deceased may also receive the grant. The *Finnish* law covers all families meeting size, residence, and similar requirements whose local tax assessment does not exceed limits fixed periodically by the Council of State. The allowable levels are varied by region and size of family, and also may be exceeded in cases of special hardship.

Size of Families Covered

No restrictions are imposed with regard to the size of families eligible for allowances under about two thirds of the existing schemes. That is to say, the allowances are payable under these schemes to one-child families and also on behalf of each child in families containing two or more children. In a few of these countries, as noted in a later section, an allowance is also payable in respect of certain adults, whether or not the family contains children; this is the case, for example, in *Chile*, *Italy*, the *Lebanon*, *Portugal* and *Spain*.

The payment of the allowance normally commences only with the second child in five countries—*Australia*, *France*, *Norway*, *Spain* and the *United Kingdom*—and also under some of the *Swiss cantonal* schemes. The *British* National Insurance and National Insurance (Industrial Injuries) Acts of 1946¹ provide that recipients of unemployment and sickness benefit, retirement pension, widow's allowance, or injury and disablement benefit shall receive a supplement in respect of the eldest child in the family; thus, insurance beneficiaries in the *United Kingdom* are covered, in effect, for all children in their family. The provisions of the *Australian* scheme are similar. In *France*, the "single-wage" allowance begins with the first child. The *Norwegian* allowance is payable for an only child or for the first child when the child is a half or full orphan, when the parents are separated, or when the parents are not husband and wife if one of them is maintaining the child. In *Spain*, an allowance is payable to a widow with one or more children.

The *Irish* scheme provides allowances only to families containing three or more children. The *U.S.S.R.* and *Finland* restrict the

¹ Cf. *International Labour Review*, Vol. LIV, Nos. 3-4, Sept.-Oct. 1946, p. 227.

regular allowance, in general, to families with four or more children but make certain exceptions to this. In the U.S.S.R., an allowance is payable to unmarried mothers in respect of one, two, or three children, in addition to the basic allowance. In Finland, the allowance commences with the second child if the breadwinner is permanently unable to work or is dead. Finally, the *Brazilian* scheme applies only to families which contain eight or more children.

Residence and Citizenship Requirements

Most of the countries have an express requirement in their family allowance legislation that the children in respect of whom allowances are paid, as well as the adults receiving the payment, must be residing in the country concerned. Temporary brief absences are excepted in some legislation, as are absences of the father during periods of military service.

Some variation appears to exist, however, with regard to citizenship requirements. The *Finnish* and *Brazilian* schemes require that families receiving allowances must be nationals of the country. The *French* allowances are payable to all French nationals and to foreigners resident in France. The *Portuguese* allowances are payable to resident workers of Portuguese nationality, Brazilian and Spanish employees, and nationals of other countries granting reciprocity of treatment to Portuguese nationals. In *Luxembourg*, foreign workers are to receive the same allowances as nationals. *Spain* includes Spanish citizens, Portuguese, Andorrans, and nationals of Spanish-American countries. Recipients of allowances in *Bulgaria* must be Bulgarian subjects and of Bulgarian origin.

Legislation establishing the universal schemes generally contains some kind of citizenship provisions, but provides also that residence in the country for a stated number of years immediately preceding the claim for allowance will qualify non-citizens. *Ireland* requires non-citizens supporting children to have been resident for the preceding two years in order to qualify. *New Zealand* requires the child to have been born in the country or to have permanently resided there not less than one year; a similar period of residence is prescribed for one parent. *Australia* requires one year's residence by both child and claimant if either one of them was not born in the Commonwealth, but this is waived if the child and claimant are likely to remain permanently in the country; also the child of an alien father is excluded unless the child was born in Australia, the mother is a British subject or has made a declaration under the Nationality Act, or the child is likely to remain permanently in Australia. Under *Swedish* law, allowances are payable for Swedish children and for foreign children supported by Swedish residents registered for taxation in the country. The *Canadian* scheme covers all children born in Canada who continue to reside there, and foreign-born children who themselves, or whose father or mother, have resided in Canada for three years immediately prior to the claim.

The *British* scheme requires that either the father or mother must be a British subject born in the United Kingdom, or have resided therein for a specified minimum period prior to claiming the allowance. Authorisation is given for entering into reciprocal arrangements with Dominions with regard to qualifications for allowances.

The *Norwegian* law also requires at least one of the parents to be a Norwegian citizen, but authorises payment of allowances to children of foreign parentage where a treaty of reciprocity exists.

The legislation of most other countries not mentioned above is silent regarding citizenship requirements.

CHILDREN COVERED

Other conditions influencing the scope of different schemes are those found in the provisions specifying what children are permitted to qualify for an allowance. Among these, it is of particular interest to compare the age limits beyond which allowances are no longer payable in different countries, and the types of relationship to the head of the family which give rights to allowances.

Age Limits.

All the plans contain a more or less precise definition of the age-groups within which children qualify for an allowance. A considerable spread exists among the maximum age limits at which the payments are normally terminated; 16 years is the most common age limit, and 18 and 14 years the next most prevalent. About three quarters of the schemes provide for raising the limit if the child continues at school, or if he is incapacitated, or in case of either contingency. The provisions of the different schemes are summarised below.

Seven countries have a uniform maximum age limit for virtually all children, with no provision for its being raised. These countries and the upper age limits specified in their laws are:

Australia	16	Sweden	16
Ireland	16	Canada	16
Norway	16	Hungary	18
Bulgaria.	21		

A female child in Australia who marries before becoming 16 years of age loses her eligibility for an allowance. The Canadian allowance is suspended before the age of 16 if the child is not attending school in accordance with provincial law or receiving equivalent instruction or, in the case of a female child, if she marries. In Bulgaria, the allowance is suspended before the age limit if the child is working.

The British, Netherlands, Uruguayan, and Polish schemes provide for raising the normal age limit only if the child continues to attend school. The normal limit in the *United Kingdom* is the compulsory school age (now 15), but if a youth is undergoing full-time instruction in a school or is an apprentice, the allowance is continued until the 31 July next following his 16th birthday. In the *Netherlands*, the regular maximum of 16 years is raised to 21 for children receiving daily tuition at an institution for general or professional education. *Uruguay* has fixed the normal limit at 14, this being extended to 16 for students or apprentices at a training centre. The *Polish* scheme covers all children up to the age of 16 and students pursuing a general or professional education up to the age of 24.

A number of schemes provide for a raising of the normal maximum age limit both in the case of children at school and in cases where the child is incapacitated for work. In *France*, for example, allowances are normally payable as long as the child is compulsorily attending school, and for one year thereafter (age 15) in the case of a child who is not earning wages. The limit is raised to 17 for apprentices and to 20 for students and for youths permanently prevented from engaging in gainful work by infirmity or incurable disease; the lifting of the age limit to 20 years also applies to a daughter or sister of the recipient domiciled with him, if she is engaged exclusively in household tasks or in the education of two or more of his children below 10 years of age. Both family and single-wage allowances are payable, in the form of pre-natal allowances, from the date when the mother is declared to be pregnant. The normal limit in *Rumania* is 14, but this is increased to 16 for children attending school or incapacitated for work. A majority of the *Swiss* funds pay allowances normally up to the age of 18 but some terminate payments at from 15 to 17; a number of the funds also make provision for exceeding the customary age limit in case of school attendance or invalidity, but may also withhold the allowance at an earlier age if the child is earning a sufficient amount to support himself.

Seven countries, *New Zealand*, *Italy*, *Belgium*, *Czechoslovakia*, *Finland*, *Spain* and *Portugal*, remove the age limit entirely in the case of incapacitated children, and raise it in the case of students. Among these, *New Zealand* has fixed the regular limit at 16, with extension to the end of the calendar year in which a child attains 18 years in the case of full-time day pupils at school. Under the *Italian* scheme, the normal limit for children of manual workers is 14 years while for children of salaried workers it is 18; the allowance is continued to 21 (18 in Northern Italy) for children attending training school or university who are not in gainful employment. The *Belgian* allowances are paid until the age when compulsory school attendance ceases, and in any case to the age of 14; they are extended to the age of 18 for children attending vocational or general instruction classes held during the day who are not in gainful employment and for those apprenticed under approved indentures. In *Czechoslovakia*, the regular age limit is 18 but this is raised to 24 for youths receiving scientific or technical training for their future vocation, including students, apprentices, and probationers; payment is extended beyond 18, however, whether by reason of education or incapacity, only if the personal income of the child does not exceed 1,800 crowns a quarter. The normal maximum age in *Finland* of 16 is raised to 20 for students. *Spain* has a normal limit of 14 which is extended to 18 for orphans attending school. *Portugal* also has a normal limit of 14 years, but raises it to 18 for children studying in secondary schools and to 21 for those following a higher course of study with profitable results.

Two Latin-American schemes provide for increasing the normal limit in case of invalidity but not by reason of school attendance. *Brazil* sets the regular limit at 18, unless the child marries or enters gainful employment earlier, but raises it to the age of majority in the case of incapacitated children. In *Chile*, the normal age limit is 18, but this is removed for physically or mentally incapacitated children.

In the *U.S.S.R.*, the regular allowance is paid only from the first