

Paper presented at the Wellchi Network Conference 1
**CHALLENGES AND OPPORTUNITIES FACED BY EUROPEAN WELFARE
STATES: THE CHANGING CONTEXT FOR CHILD WELFARE**

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Paying for Children – Principles and issues –

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Abstract

This presentation will consider some of the principles and issues related to paying for children, and will highlight recent developments in relation to the changing context for child welfare today. It will focus on the UK, but will also draw on other countries' experience where relevant. It will also place paying for children in the context of other policy objectives which may be at variance with promoting children's welfare.

It will first examine the case for support for children in principle: are they a private or at least partly a public good? Which are stronger: arguments for lifecycle redistribution or for social solidarity? The costs of children can be divided into direct and indirect, though in practice they can be confused. The presentation will link to other conference topics by considering whether there are any dangers in promoting the idea of social investment in children.

Secondly, the presentation will focus on issues about how to meet the direct costs of children, either in full or in part. Debate often focuses on universal versus targeted provision; one priority could be to put more weight on those payments which best 'follow the child' through various transitions. Forms of payment towards the direct costs of children can include 'state mandated' forms of welfare such as private child maintenance, as well as allowances for children formally in the care of the state.

The form in which payment is made can be important, including the frequency and method of payment. This issue is linked to others concerning the recipient, including the pros and cons of identifying a 'main carer' and the division of in-work support from support for children in low income families; the possibility of splitting payments between resident and non-resident parents; and proposals to make payments to, rather than for, children. The implications of the recent introduction in the UK of the child trust fund, an example of 'asset based welfare' for children, will also be considered.

Issues within social security payments for children will also be examined, including the possibility of variation in amounts according to the age of the child, the size of family, the case for a differential between support for lone parent versus two parent families etc. The relationships between various benefit rates in the UK will be explored (including those applying to pregnant women). The arguments for support in cash or in kind will be examined, as well as the balance between consumption and investment and between spending on cash and on services for children. Reductions in costs for families can be as important as financial support, and can include (for

example) controls on commercial companies to reduce 'pester power', as well as adaptations to the social environment to reduce the burdens on those with children.

Help with child care can be seen as addressing either a direct or an indirect cost of children. Indirect or opportunity costs are usually seen as comprising foregone earnings over the lifecycle etc. - currently disproportionately borne by women (and in the UK especially by those who are already disadvantaged in the labour market). Arguments may be made in terms of both social (gender) justice and instrumentalism for reducing and/or compensating for these indirect costs. The presentation will make links with other key themes in the conference by discussing the major issue of how to do this without cementing further the gendered division of labour.

Slide 1

Paying for Children

The Changing Context for Child
Welfare: 7-8 January 2005

Fran Bennett

Slide 2

Introduction

- Implications of recent developments in family/social policy debates, especially UK, for financial support for children
- Links with other presentations in conference and especially in this session
- About principles and issues – largely about direct costs of children though also some issues of indirect costs (elsewhere)

Justification for supporting children

- 1980s: children seen as private choice
- Countered by redistribution over lifecycle
- Subsidiary social solidarity argument rests on children being seen as 'public good'
- Increasing emphasis now on children as investment – danger of instrumentalism unless supplemented by rights focus
- Also support to relieve/prevent poverty

Rights and responsibilities

- 'Fair reciprocity' sees caring as active citizenship work deserving of support but also logically entailing quality control
- No recognition of gender issues involved
- Suggests flat rate payment probably from state rather than compensation for loss of earnings probably from employer
- Extension of existing conditionality which already affects responsible parent more?

Form and method of payment

- Financial support for children in UK increased by over 50% 1999-2003
- Source, labelling, recipient and management also important for children
- Increased targeting of support in UK – but following child through transitions is key
- Child tax credit welcomed (integrates in/out of work support for children, but separates this from in-work adult support); but working tax credit not appropriate as payment for caring

Recipient/unit of support

- Payment to 'main carer' benefits children (but irrelevant now joint bank accounts?)
- Practical, not strategic, gender interests?
- Splitting of payment now possible for child support and demanded for state benefits
- Does child-centred approach logically imply child support/benefits for children as legal right of child (and paid to child?)

Relativities

- Payment per family (not child) increased emphasis – for political popularity/cost
- Differential treatment of lone parent and two parent families(?) leading to calls for adult dependency increase in tax credits
- Child support: first versus second families
- Differentials between children and adults: next concern is young single adult benefit

Changing role of state?

- Government wants to facilitate public debate about level of support for children but is against minimum income standards
- Is asset based welfare meant to enable people to navigate life? – future direction?
- Government can shape context, including giving children sense of entitlement and parents sense of being supported – how?