

SOCIAL POLICY IN SUPPORTING CHILDREN AND FAMILIES

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Abstract: The normative framework for social assistance aimed at caring for children is the Family Benefits for Children Act. Family benefits are funds in cash and / or in kind that support the upbringing of children in a family environment by parents or carers. Formally, the law does not explicitly declare the goal of reducing poverty or combating social exclusion, but the mechanism of granting benefits and their size to a large extent in practice play the role of a kind of "second pillar" of the social assistance system in Bulgaria. One-time childbirth allowance, one-off childbirth allowance, one-off twin care allowance, one-off childcare allowance from a mother (adoptive) student in full-time education, one-time free travel allowance once a year with the railway and bus transport in the country for mothers with many children, the monthly family allowance for a child without the right to a survivor's pension from a deceased parent and the monthly allowance for raising a child with permanent disability are provided without income test for the family. The one-off maternity allowance, the one-off allowance for pupils enrolled in the first grade, the monthly allowance for raising a child up to the age of one year and the monthly allowance for raising a child until the completion of secondary education, but not more than 20 years of age, are granted after income verification. The purpose of this article is to show the result of the implementation of social benefits for children and families in Bulgaria. The results will clearly show the lack of funds needed to implement care for children and families in need. The law regulates the legal possibility for the monthly allowances for raising a child until the completion of secondary education, the monthly allowances for raising a child up to the age of one and the one-time allowances for students enrolled in first grade to be provided in kind. in all cases of minor parents this is mandatory. With regard to families raising children with permanent disabilities, families of relatives, close or foster families - for children placed under the Child Protection Act and children raised by one living parent, family benefits are provided in regime, regardless of family income. The lack of adequate support for parents and families at risk is associated with poorer health and education indicators, a higher risk of behavioral and emotional problems in adulthood, substance abuse, crime and other challenges, all of which have serious societal consequences. and costs. Currently, most existing policies in Bulgaria affect parents, but without being bound by a system of targeted support actions. There are more than 20 normative, sub-normative acts and strategies in Bulgaria, regulating the support to families and children, but they are not integrated so as to address their needs and problems in a complex way.

Keywords: social policy, children and families, social assistance, family benefits

1. INTRODUCTION

Social policy in supporting children and families is essential for the socio-economic development of a country. A number of laws and by-laws determine the rates for benefits for certain groups of children and families. The Family Benefits for Children Act is essential for social assistance aimed at caring for children and families. The law regulates family benefits. Family benefits are funds in cash and / or in kind that support the upbringing of children in a family environment by parents or carers. The law does not have a clear goal of reducing poverty or combating social exclusion, but the mechanism of granting benefits and their size to a large extent in practice play the role of a kind of "second pillar" of the social assistance system in Bulgaria. Reducing the risk of poverty and social exclusion is one of the main challenges for both the European Union and Bulgaria (Veleva, 2018). The remuneration of the employees working in the system of the state administration supporting social services also plays a significant role (Krasteva, 2019). The spread of the Kovid virus has complicated the activities of the state administration in the field of social benefits (Krasteva, 2021). Employee motivation is an essential element of a well-functioning social system (Boyanov, 2018). One-time childbirth allowance, one-off childbirth allowance, one-off twin care allowance, one-off childcare allowance from a mother (adoptive) student, full-time education, one-time assistance for free travel once a year by rail and bus in the country for mothers with many children, monthly family allowance for a child without the right to a survivor's pension from a deceased parent and monthly allowance for raising a child with permanent disability provide no income test for the family. The one-off pregnancy allowance, the one-off allowance for students enrolled in the first grade, the monthly allowance for raising a child up to the age of one and the monthly allowance for raising a child until the completion of secondary education, but not more than 20-year of age, are granted after verification of income. The law regulates the legal possibility for the monthly allowances for raising a child until the completion of secondary education, the monthly allowances for raising a child up to the age of one and the one-time allowances for students enrolled in first grade to be provided in kind. in all cases of minor parents this is mandatory.

2. EXHIBITION

With regard to families raising children with permanent disabilities, families of relatives, close or foster families - for children placed under the Child Protection Act and children raised by one living parent, family benefits are provided in regime, regardless of family income.

Table 1. Expenditures on basic benefits for families with children, 2019, in million BGN

Monthly allowances for raising a child until the completion of secondary education	295,5
Monthly allowances for raising a child with a permanent disability	169
Childbirth assistance	24,8
Monthly benefits up to 1 year	15,1

Source: NSI summary data

The data show that the support of families with children is carried out almost entirely with two programs - monthly allowances for children until the completion of secondary education (the so-called child allowances) and monthly allowances for raising a child with permanent disabilities. In 2019, 90% of the total expenditure for families with children will be directed through these two programs. In the second group, aid with a significant scope and budget can be conditionally considered, although much smaller as total costs than the flagship programs. For the purposes of analysis, this includes the one-time childbirth allowance, the monthly allowance for raising a child up to 1 year of age and the one-off allowance for enrolling a child in the first grade. The latter program can also be used as a tool for additional incentives and support for inclusion and retention in the education system of children at risk of dropping out, and in 2020 identical assistance was introduced for enrollment in eighth grade as an anti-crisis measure; this gives reason to believe that such aid could be extended in the future. The last conditional group includes benefits with an extremely small total budget and an effect on the well-being of households. Programs with limited scope, small budget and low overall effect on households. The total expenditure on the relatively small in scope and total budget aid considered here decreases from BGN 17.3 million in 2015 to BGN 7.2 million in 2019. The main factor is the change in the criteria for granting childcare allowance by a mother student studying full-time, and after 2016 this allowance is provided only if the mother is not insured and does not receive compensation for pregnancy, childbirth and child rearing. under the Social Security Code. This reduces the scope of the program more than four times - in 2015 more than 4,200 mothers of students were paid benefits, while the following year their number dropped to below 500. The downward trend in the number of beneficiaries continues in the coming years and reflects general demographic trends and increasing the share of mothers in insurance who are not entitled to assistance. In 2019, 527 tranches were paid to mothers (for 299 mothers - first tranche and for 228 - second tranche) and as a result the total costs for this type of assistance fell to BGN 768 thousand. The program has an extremely limited effect, despite the fact that it is implemented without an income test for the mother's household. The amount of assistance has not changed in the last five years and remains at BGN 2,880 in 2020. At the same time, it is aimed at mothers of students who are enrolled in full-time education, who are not insured, and this implies that they receive an income transfer for subsistence while studying from other sources and are unlikely to fall into the group at risk of poverty.

The one-off aid for raising twins shows the greatest sustainability in the last five years. The amount of assistance has not changed and remains BGN 1,200 per child, and the number of assisted children (born twins) is a little over 2,000 per year. This program is not targeted at households in view of the socio-economic characteristics of parents and there is no income criterion. Its effect is not concentrated in the group of low-income households and there is no reason to believe that it has a significant impact on poverty reduction. The monthly allowance for a child without the right to a survivor's pension from a deceased parent is a new program introduced in 2019, when it supports an average of 1,077 children per month. The amount of the aid is BGN 115 per month, which is maintained in 2020. The aid is granted without an income test. At the same time, it can be reasonably assumed that children in a household with a deceased parent are at a much higher risk of poverty. The one-time pregnancy benefit is granted after an income test, and the threshold for the monthly income is determined every year by the State Budget Act. This threshold is BGN 350 in 2015, BGN 400 in 2016 and 2017 and BGN 450 in 2018 and 2019 and remains at this level in 2020, as it is also used for granting childcare allowance for a child up to 1 year of age. To a large extent, the income test limits the scope of maternity benefits to uninsured women (or those with incomplete periods of insurance before pregnancy), as the amount of the benefit when insuring even an income equal to the minimum wage after 2017 exceeds threshold definitions. The change in the minimum wage over the years, the size of the threshold for monthly income and the rapid growth of employment between 2014 and 2019 leads to a reduction in the number of assisted pregnant women from 15,660 in 2015 to 9,980 in 2019. Those included in this program largely coincide with uninsured pregnant women - they are about 15% of the total number of pregnant women, and

this share is similar to the share of women who do not receive benefits during pregnancy and childbirth by the insurance system. The amount of aid is BGN 150 and has not changed in the period under review. One-time assistance for free travel once a year by rail and bus in the country of mothers with many children (with three or more children over 1 year of age) is granted without an income test. During the period under review, the number of recipients gradually decreased - from over 9.7 thousand in 2015 to 8.3 thousand in 2019. The average amount of aid also decreased from about BGN 63 to about BGN 53. The one-time assistance in adopting a child was introduced in 2016 and is granted without an income test. In 2019, 469 children were supported, which is a similar value to the number of supported adopted children in 2016 and 2018. The amount of assistance has not changed during the period under review and is BGN 250.

Table 2. Number of recipients of selected aid, 2019

One-time assistance for raising twins - number of children born	2144
Monthly benefits for a child without the right to a survivor's pension from a deceased parent	1077
One-time assistance during pregnancy	9980
One-time assistance for mother (adoptive mother) student - number of tranches	527
One-time free travel assistance for mothers with many children	8331
One-time assistance in adopting a child	469

Source: NSI summary data

In practice, the one-time assistance at the birth of a child is unlimited (insofar as an application is required from the mother, there is probably a minimum number of families who do not benefit from the assistance). The amount of assistance after 2016 is: for the first child - BGN 250; for a second child - BGN 600; for a third child - BGN 300; for the fourth and each subsequent child - BGN 200; the only change compared to 2015 is the amount provided for a third child, which until then was BGN 200. As this type of support de facto covers all births during the year, the dynamics in the period under review is a direct consequence of demographic trends. The number of assisted parents slightly decreased from 67.5 thousand in 2015 to about 63.1 thousand in 2019. Total expenses decreased from BGN 26.0 million in 2015 to BGN 24.8 million in 2019, as the average amount of paid benefits increases minimally from BGN 384 to BGN 393 per birth, which is a result of the change in the ratio of births according to their order for assisted mothers. For insured mothers, the amount of this benefit has a relatively small share of the received replacement income through the insurance system - in 2019 the average maternity benefit for the entire 410-day period is nearly BGN 6,700.

Moreover, during the analyzed period the one-time allowance for first and second birth remained unchanged, while the average benefit increased by 63%.

The monthly allowance for raising a child up to 1 year of age is granted after an income test, and after 2018 parents with an average income per family member of less than BGN 450 have the right to receive assistance. In 2015, the threshold is BGN 350, and in 2016 and 2017 - BGN 400. The amount of aid is BGN 100 and does not change during the period under review. The income test is identical to that for a one-time pregnancy benefit, but the number of supported mothers is slightly higher. In 2015, they were 18.6 thousand and gradually decreased to 12.6 thousand in 2019. The decrease is 32% and the decrease in the number of one-time birth benefits is only 7%. The significantly faster contraction of the beneficiaries of monthly benefits reflects the improvement of the chances for employment during the period under review and, accordingly, the reduction of the number of mothers who do not receive maternity benefits. However, the recipients are 20% of the total number of births, which suggests that they also include a number of mothers entitled to benefits that are either very low or have dependent family members without income. Keeping the nominal amount of the aid unchanged also leads to its lagging behind both the dynamics of key income indicators and, in particular, the average amount of maternity benefit - if in 2015 the aid is 33% of the average benefit for insured mothers, in 2019 it is about 20%. The one-time allowance for students enrolled in the first grade until 2020 is worth BGN 250 and is granted with an income test and the income threshold is identical to the one-time allowance for pregnancy and monthly allowance for raising a child up to 1 year. In 2020, as an anti-crisis measure, the income criterion was abolished and at the same time a one-time assistance in the same amount is provided for students enrolled in eighth grade. The number of beneficiaries has gradually decreased in the last five years, as in 2019 (for the academic year 2019/2020) nearly 31.9 thousand grants were approved, while in 2015 the number was 44.7 thousand. This is explained both by the general decline in enrolled first-graders and by the slight narrowing of the scope of the program due to the rapid growth of average incomes in the period under review and, accordingly, the reduction of families receiving incomes below the set threshold. Thus, the coverage of this type of

assistance is shrinking from about 66% of first-graders in 2015/2016 to about 53% in the school year 2019/2020. MLSP budget, which is due to fewer approved beneficiaries than planned. For example, for 2019/2020, 43,800 children are expected to receive assistance in the ministry's program budget, while 31,855 benefits are actually approved for payment. One of the explanations may be related to the relatively low value of the aid and the applied income test, which probably demotivates some families with incomes around the threshold to apply for support. From 2021, this benefit, together with the identical one for students enrolled in the eighth grade, is now paid to each child without any restriction according to the family income. This decision removes the programme's focus on low-income households, but the expected close doubling of spending has a negligible overall 40 fiscal effect. While maintaining the priorities of the policy for the coverage of children in secondary education, there is an opportunity to increase the amount of this assistance, but to link it more closely with the inclusion in education and indicators for participation and achievement of children in school. With this, however, the program will gradually lose much of its essence of social assistance and will be reformatted as an instrument for achieving the goals of educational policy. Monthly allowances for raising a child until the completion of secondary education, but not more than 20 years of age, or the so-called child allowances are the largest in terms of total costs and scope of support programs for families with children, and until 2018 inclusive have the largest budget among all social assistance programs (after 2019 inclusive this is the financial support for people with disabilities). The aid is granted on an income basis. Until 2017, including all families that meet the income criterion, will receive a full monthly allowance. After 2018, the income thresholds are differentiated as part of the benefits are paid in the amount of 80% for individuals. In 2018 and 2019, the differentiated thresholds are respectively BGN 400 and BGN 500 average monthly income per family member for the last 12 months; in 2020 the amounts have been minimally increased to BGN 410 and 510, respectively. The amount of aid is determined each year by the State Budget Act. From 2018, the monthly benefits are unchanged and are as follows: BGN 40 for a family with one child; BGN 90 for a family with two children; BGN 135 for a family with three children; BGN 145 for a family with four children and with an increase in the number of children in the family - an increase of BGN 20. The change in the amount of assistance for up to three children in the household is minimal within the period under review, as in 2015 for the first child receive BGN 35, for the second - another BGN 50, for the third another BGN 35, or a total of BGN 120; in 2016 and 2017, the allowance for the first child is BGN 37, and for a total of two children in the family - again BGN 85, and for three - BGN 130. Thus, between 2015 and 2020, the assistance for one child increased by 14.3%, for two children - by 5.9%, and for three children - by 12.5%. The change is slightly more significant for families with four or more children, as in 2015 for each child after the third they receive BGN 35, while after 2016 for the fourth child BGN 10 are added to the assistance, and BGN 20 for every next one. The favorable dynamics of the labor market in the period under review, related to both a significant increase in employment and a rapid increase in wages, naturally leads to a narrowing of the coverage of this type of assistance, despite the increase in the threshold of monthly income used. as an eligibility criterion. The number of assisted families is shrinking from 496 thousand in 2015 to 402 thousand in 2017, and the number of children in them - from 741 thousand to 625 thousand. The creation of a differentiated income threshold only contributes to slowing down this process in 2018 and 2019, as in the last year under review 39.6 thousand families with 53.8 thousand children received assistance amounting to 80% of the full. The total number of assisted families has dropped to 367.7 thousand, and the number of children to 572.8 thousand in 2019. Despite the gradual reduction in the number of assisted families with children, the program remains extremely wide - it is estimated that about 59 % of children received assistance in 2015 and about 46% in 2019. To the extent that the income test restricts access to benefits for the majority of high-income families (but not all - the system cannot exclude households with undeclared income or income from business activities that are not officially distributed to individuals), a significant proportion of beneficiaries do not fall into the group most at risk of poverty and social exclusion. For example, according to data from the NSI survey on income and living conditions (SILC) for 2019, only 10.7% of households with two adults and one child are below the poverty line; in households with two adults and two children the relative share is 16.9%. At the same time, the share of the poor in a household with one adult and two or more children is 41.4%, and in two adults and three or more children - 62.3%. However, the approach to determining the amount of aid and the eligibility of beneficiaries does not reflect the huge differences in the socio-economic characteristics of families and needs. Another illustration is the decision for the fourth child in the family that the additional assistance is only BGN 10 (for each subsequent one - another BGN 20), which leads to the fact that for children who are at many times higher risk of poverty, the assistance is 42 significantly smaller. Taken as a whole, the wide range, combined with the relatively low levels of assistance, especially for large families, give grounds to consider the program as part of demographic policy rather than as a tool for targeted social assistance as needed. At the same time, the amount of aid is not adequate to the needs of the lowest-income or non-income households. Moreover, benefits for pregnancy, childbirth and raising a child up to 2 years of age cover only part of the earliest phase of raising children. At the same time, the monthly benefits based on a differentiated

minimum income do not provide adequate support to the needs of the most needy families, and for them the so-called child allowances are extremely insufficient to compensate for the lack of other sources of income. For example, the amount of assistance for two children (BGN 90 in 2019) is equal to only 10.4% of income, which is the poverty line for a four-member household with two adults and two children up to 14 years.

The future of the policy of financial support for families with children is likely to continue to be among the key issues of future governance. Despite the gradual contraction of the scope over the last five years, in 2019 the expenditures for monthly benefits are BGN 295.5 million, which represents 26.3% of all expenditures for social assistance financed through the MLSP budget.

3. CONCLUSION

The implementation of the social assistance program on the basis of differentiated minimum income in the last at least ten years it has led to a permanent contraction of its scope and significantly reduction of the relative amount of the aid in relation to the dynamics of income in the country. The criteria used to receive monthly benefits, as well as the defined by the government the amount of the guaranteed minimum income leads to the targeting of assistance to an extremely narrow circle of persons in the worst financial situation. At the same time, the aid provided is significantly lower than it would be led to a more tangible improvement in the living conditions of this extremely poor group households. It can be argued that at the current parameters the program does not provide adequate support of the target group to which it is directed. Along with this, due to strong the restrictive eligibility criteria of potential recipients, its scope is significantly narrower and “misses” a large share of households in poverty, including those with the lowest incomes.

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