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Functioning of the Family 500+ program on a selected example of rural areas

Abstract: *The governmental program Family 500+ [pl Rodzina 500+] is a relatively new instrument of social policy in Poland, aimed at supporting families. It involves monthly payment of PLN 500 for each second and subsequent child in the family. If the income per person does not exceed PLN 800, the benefit is also payable for the first child. The program it has been functioning since 2016 in the presented formula (currently it is planned to extend the support to all children, regardless of the income criterion), so it is now possible to undertake research on its short-term effects. The program is aimed at families with children under the age of 18, regardless of place of residence and social status, however, it plays a specific role in rural areas, where social problems and the family model are slightly different than in urban areas. First of all, there is a disposable income disparity in the countryside, and fertility rate is higher. Therefore, research was undertaken to indicate the effects of the 500+ Program and the opinion of its beneficiaries living in rural areas. As an example, the rural commune of Duszniki, located in the Wielkopolska Region was selected. First, the authors of the paper analyzed data from the Commune Social Welfare Center, which is the program administrator at the local level. Second, they conducted a survey on a sample of 100 parents who expressed their opinions on the functioning of the program. As a result of the research, it was noticed that in the analyzed commune a significant part of the beneficiaries use support for the first child, which indicates a fairly large poverty range. On the other hand, the surveys have shown that the funds granted help to raise children, although they do not cover the necessary expenses in full. For the most part, they are devoted to the basic needs of children, such as food, clothing and education. Also, the authors noted a dangerous phenomenon of women's professional deactivation after the introduction of the program. In addition, the research pointed to the existence of a specific form of "free riding" – respondents to a small extent declared the enlargement of the family after the introduction of the program, although they believed that on a national scale it will contribute to the increase in total fertility rate.*

Keywords: Family 500+, social policy, Wielkopolska Region, commune Duszniki

Just like many other European countries, Poland struggles with several major social problems. Among them is the birth rate being below the replacement threshold, which is a modern reflection of what is referred to as the “demographic transition” (Iwański 2017, Runge 2015). With the economic development, the growing financial aspirations and the increased rates of economic activity among women, on the one hand, and social uncertainty, on the other, the families postpone their decision to have children to later in life, and the number of children per family follows a downward trend.

According to recent forecasts cited by Gwoździewicz and Prokopowicz (2017), the Polish population could decline by 5 million (to 33.2 million) by 2060 and the old-age dependency ratio would reach 33%. The second problem are the large income disparities between different social groups, including the incidence of extreme poverty (Biernat-Jarka and Trębska 2018, *Zasięg ubóstwa... [Extent of poverty...]* 2019). The latter aspect is especially noticeable in rural areas where several interrelated socioeconomic problems coincide. Usually, the rural population live far away from urban jobs, making it difficult for them to find non-agricultural employment. Also, living in rural areas means having a smaller group of potential customers which essentially does not encourage people to run a business (or at least reduces the scope of business activities).

General human progress, including technological progress in agriculture, contributes to reducing the profitability of agricultural production and to economies of scale: physically smaller farms are unable to generate enough income to support a family. In his analysis of the importance of the Family 500+ program to rural areas, Puślecki (2016) notes that farmer and pensioner households have the lowest disposable income per capita, and therefore the funds allocated under the program could play an income-generating and stimulating role. A similar opinion on the rural community was voiced by Golinowska and Sowa-Kofta (2017) who also focused on the aforementioned social problems faced in rural areas. However, they noted the possible adverse impact of the Family 500+ program on female activity.

Introduced in 2016, Family 500+ is a family policy program intended to solve both essential problems of the Polish society, as outlined above: low fertility rates and income disparities¹. The objective defined by the legislator is “to cover, in part, the child-raising expenses, including caretaking and accommodating the child’s basic needs” (Act... 2016, Article 4.1). As an absolute novelty in the Polish social and family policy, the program provides direct financing to eligible families who meet specific criteria, as detailed in the program characteristics section.

¹ However, as Gromada (2018) notes, the multitude of objectives set for the program, such as increasing the birth rates, fighting poverty, live a dignified life, investing in human capital etc. makes it difficult to assess the program because it is unclear what should be regarded as a success.

It is similar in many ways to direct payments, the “flagship” program of the agricultural policy. First of all, in both cases, personal criteria prevail over subjective criteria. It is enough to be an eligible entity (a family with children or a farm) to be provided with the subsidy upon submitting a relatively simple application. Subjective requirements are of minor importance; in each case, they result from the assumption that an individual spends funds in a reasonable way. Both families and farms know best what they need, and no rigid solutions need to be imposed in that respect. This, in turn, implies another common characteristic: the programs do not pursue development goals. At least part of the funds can be expected to be spent on current needs. The poorer the beneficiary, the greater the share of current expenditure (it is up to researchers in social and agricultural policy to determine the exact proportion). As regards the agricultural policy, it was demonstrated (Sadowski and Antczak 2012) that the smallest farms largely use direct payments for private purposes (which gives that mechanism the characteristics of a social policy tool), whereas medium – and large-sized farms allocate them to productive inputs and investments, respectively.

The Family 500+ program can be reasonably expected to follow similar trends (having in mind the differences between both aid instruments). This is even more likely since no income criteria apply to the second and subsequent child, and the funds will be spent in different ways in each social group. In this context, wealth and (broadly defined) lifestyle can be assumed to be the key differentiating factors. The different solutions implemented under economic and social policies can be considered from several standpoints. The basic criterion is their impact on direct beneficiaries and on the entire society, including the social rationality of spending money. The time criterion, which distinguishes between current and long-term outcomes, is equally if not more important. When considering the Family 500+ program from that perspective, it is obvious that additional funds have a positive impact on the life of beneficiary families.

Conversely, the rationale behind the program’s current form, including its impact on public finance, is more debatable. Also, when it comes to beneficiaries themselves, there is a risk of becoming dependent upon public aid, including cases where individuals no longer realize the relationship between their activity and the financial situation of their family. In a macroeconomic and political context, the above means it is difficult, if not impossible, for the authorities to discontinue the respective solutions even if they no longer serve the intended purpose or if they cannot be used because of the economic and budgetary condition.

Nevertheless, some economists (Atkinson 2015) believe child benefits to be the key instrument in fighting inequalities; according to them, young members of the society need to be supported at early stages of development. In addition to having a social dimension (solidarity between generations and genders), this can also be regarded as an investment (in building social capital).

The above also bears some similarity to the Common Agricultural Policy: before the MacSharry reform, it was difficult to discontinue the market support measures although they clearly did not match the economic situation at that time (primarily including the growing over-production).

Because of the relatively short operating period of the Family 500+ program, its long-term impacts cannot be clearly identified. Therefore, this paper focuses on current outcomes as seen by its beneficiaries living in a rural commune of the Wielkopolskie region in Poland. The purpose of this study was to trace the use of funds granted, and identify the changes in economic activity of beneficiaries and in the potential impact of the program's overarching objective which is to improve total fertility rates.

Methodology notes

The study was carried out in Duszynki, a rural commune located in the Wielkopolskie region. Two sources of data were used:

- Secondary data retrieved from the Commune Social Welfare Center in Duszynki which administers the program at the local level. This data allowed to indicate the extent to which funds disbursed under the Family 500+ program are used in the commune considered and to identify the differences in incomes between the beneficiaries.
- Primary data retrieved from a survey carried out with a sample of 100 beneficiary families living in the commune considered. The questions were about:
 - the number of children in the family,
 - the employment status of parents,
 - the degree to which child-raising needs are addressed,
 - the patterns of expenditure.

Survey results were grouped by the extent to which the program is used. As a consequence, the paper presents the replies of families in receipt of benefits for all children and of those in receipt of benefits for the second and subsequent children. Considering the applicable income criterion, this allowed to identify the differences between poor and wealthy families in how they approach the program (as generally outlined in the introduction).

The extent of this study does not provide grounds for conclusive findings. However, it reveals the prevalence of certain trends, especially if similar results were obtained by other researchers. The subjective scope of this study tackles only a small part of the topic discussed. First of all, the study focuses mainly on feedback from beneficiaries, i.e. only some of the public targeted by the program. It does not address the important problem of the program's impact on state budget and other macroeconomic parameters, such as the inflation rate. Moreover, due to a short operating period, the study does not cover long-term effects, although some findings could be indicative of pos-

sible outcomes in a slightly longer time horizon. In turn, focusing the study on rural areas provides a considerable advantage as it shows the topic considered from the perspective of a certain part of Polish families whose specific problems are outlined in the introduction.

Characteristics of the Family 500+ program

The “Family 500+” program entered into force as of April 1, 2016. The normative basis for the program is the Act of February 11, 2016 on state support for child-raising (Act... 2016), which lays down the conditions of eligibility for the parental benefit and the principles for granting and disbursing the benefits. Essentially, the program consists in paying PLN 500 each month for each child aged up to 18. The income criterion does not apply to the second and subsequent children. If a family applies for benefits for all their children, their income per capita cannot exceed PLN 800. In the case of disabled children, the income threshold is higher (PLN 1200). The benefit is not included in income when determining the eligibility for benefits under other support schemes, including without limitation: social assistance schemes, the children’s maintenance fund, family benefits, housing benefits, and scholarships for pupils and students (www.gov.pl/web/rodzina/rodzina-500-plus). The funds come from the national budget. Currently, work is in progress on abolishing the income criterion for the first child.

Characteristics of the commune surveyed

Duszniki is a rural commune located in the district of Szamotuły, Wielkopolskie region. It has a population of ca. 9,000, including a working-age population of 5,500. It is located ca. 45 km away from the capital of the region (Poznań), which has a certain impact on the local labor market. In 2018 (www.stat.gov.pl), there were 125 unemployed people registered in the commune; their share in the working-age population was 2.1% (1.1% for men and 3.2% for women). In 2017 (according to the most recent data available at www.stat.gov.pl), there were 987 employed people, including 505 men and 482 women. There is a considerable discrepancy between the working-age population, the unemployment rate and the number of persons employed because inactive people and farmers not employed outside their farm were not taken into account.

The latter aspect is all the more important since due to location of the commune which is largely agricultural. It is home to 1,453 farms (Raport... 2019), with a dominant share (60%) of small ones (up to 10 ha). This is an indirect indication that a large part of their users are either employed or run their own business. Also, 817 enterprises (including 622 run by natural persons and 195 run by legal persons) operate in the commune.

As shown by data retrieved from the Commune Social Welfare Center in Duszniki, the funds available under the aid scheme considered are used in a quite stable manner (Table 1). The number of beneficiaries varied slightly between the years, fluctuating around 850 families. This is understandable given the general and quite easy access to the program and the fact that, from an individual perspective, the support positively affects the financial situation of families.

Note also that 60% of beneficiaries have been receiving benefits for the first and subsequent children throughout the years. Given the income criterion, this reflects a large extent of poverty in the commune and is an indirect and at least partial justification for this type of redistribution. Obviously, it is debatable whether similar forms of public aid should be continued in the long run or be replaced with programs designed to activate the local economy and improve the human and social capital. In practice, considering the rural nature of this commune, the latter approach would mean implementing the concept of multipurpose rural development, primarily including the promotion of non-agricultural jobs and education.

The reasons for the quite high poverty, as outlined earlier, can be generally summarized as (except for individual cases): long distance to Poznań, the regional economic center; and a relatively poor profitability of agricultural production, especially in small farms. The above is confirmed by a SWOT analysis presented in the municipal strategy (Strategia... 2016). The weaknesses include low supply of local labor and poor quality of roads, whereas good road connections linking only some of the towns with Poznań are believed to be a strength. The problem of transport accessibility was also confirmed by Rosner and Stanny (2014) who noted the existence of large compact areas with a particularly long traveling time to the regional capital city. In the case of Duszniki, it is ca. 45 minutes which is a relatively short time compared to more remote locations, although this does not alter the fact that commuting to a larger city is quite difficult.

Table 1. Number of applications for benefits in the commune of Duszniki in 2016-2018

Year	Total	For the first and subsequent children	For the second and subsequent children
2016	843	524 (62.2%)	319 (37.8%)
2017	873	531 (60.8%)	342 (39.2%)
2018	864	519 (60.1%)	345 (39.9%)

Source: own compilation based on data from the Commune Social Welfare Center in Duszniki.

Table 2. Families in receipt of 500+ benefits for the first and subsequent children in the commune of Duszniki, grouped by net income per capita

Specification	Measurement unit	2016	2017	2018
Without a disabled child, including:	Number of families	311	365	295
with no income	Number of families = 100	7.2	7.9	11.5
up to PLN 400.00		34.5	32.9	28.0
from PLN 400.01 to PLN 574.00		29.0	27.9	25.7
from PLN 574.01 to PLN 674.00		14.3	14.5	14.9
from PLN 674.01 to PLN 754.00		9.1	10.7	11.5
from PLN 754.01 to PLN 800.00		5.9	6.0	8.4
With a disabled child, including:	Number of families	51	67	73
with no income	Number of families = 100	5.9	7.5	5.4
up to PLN 400.00		33.3	34.3	32.4
from PLN 400.01 to PLN 664.00		27.5	25.4	24.3
from PLN 664.01 to PLN 764.00		13.7	10.4	12.2
from PLN 764.01 to PLN 800.00		2.0	1.5	2.7
from PLN 800.01 to PLN 844.00		2.0	1.5	4.1
from PLN 844.01 to PLN 1100.00		11.8	13.4	13.5
from PLN 1100.01 to PLN 1200.00		3.9	6.0	5.4

Source: own compilation based on data from the Commune Social Welfare Center in Duszniki.

The percentages of people in receipt of benefits for the first and subsequent children, grouped by income, provide an even stronger indication of how severe the poverty is. Each year, from over 60% to 70% of families in that group had an income of up to PLN 574 (families without disabled children) or up to PLN 764 (families with disabled children) (Table 2). In this context, note that in 2018, the minimum subsistence figure for a family of four (parents with two children) specified by the Institute of Labor and Social Studies (www.ipiss.com.pl) was PLN 3729.83 (PLN 932.46 per capita).

Characteristics of the respondents

The survey covered 100 families, including 43 in receipt of benefits for the second and subsequent children and 57 in receipt of benefits for all children (Table 3). These proportions are similar to the general distribution in the commune (Table 1). Small families prevail in both groups. Of all beneficiaries in receipt of support for all children, over 50% have only one child. In the second group surveyed, over 60% are families with two children; large

families (with 3 or more children) represent a greater share of 39%, compared to 19% in the group in receipt of benefits for all children. This is quite unusual because having a large number of children is believed to be one of the causes of poverty.

Table 3. Number of children in families grouped by the extent of using the Family 500+ program

Number of children	Payment for the second and subsequent children	Payment for all children	Total
Total = 100			
1 child	0.0	52.6	30.0
2 children	60.5	28.1	42.0
3 children	27.9	15.8	21.0
4 or more children	11.6	3.5	7.0
Total (number)	43	57	100

Source: own study based on survey data, n = 100

The above can be at least partially explained by the age of parents. Each group is mostly composed of people aged 30–40, but parents aged 25–30 account for nearly 43% of beneficiaries in receipt of payments for all children (Table 4), with none being above 40 years old. In that group, average parents were young which can be explained both by the relatively small number of family members and by the low levels of income, as provided for in the principles for granting benefits.

The limited scope of this study did not allow for an in-depth analysis of these developments. However, it may be reasonably expected that a large part of these families have just started to arrange their household and that the parents' professional career is at an initial stage. Some form of public aid is justified especially for those people, whose decision to have children coincides with income precarity. Note that demographic renewal is not only an individual matter but mostly a long-term social issue, and therefore public aid is justified especially when granted to people who, for reasons beyond their control, are unable to meet their double responsibilities which are to continue their professional career while maintaining their family and planning to have more children. Obviously, the form of aid needs to be discussed, especially in order to tell whether it promotes economic activity or, on the contrary, it results in people becoming lazy and gradually dependent upon external support. This will be analyzed later in this paper.

Table 4. Age of parents in families grouped by the extent of using the Family 500+ program

Specification	Payment for the second and subsequent children	Payment for all children	Total (number)
	Total = 100		
25-30 years	27.9	43.9	37
30-40 years	65.1	56.1	60
over 40	7.0	0.0	3
Total (number)	43	57	100

Source: own study based on survey data, n = 100

Using the benefit granted

Both groups analyzed mostly consider that the funds received do not fully cover their monthly childcare expenses (Table 5). A total of 43% of interviewees say so. This is consistent with the objective of the program which is “to cover, in part, the child-raising expenses.” However, the groups surveyed slightly differ in the distribution of replies. Over 50% of families in receipt of benefits for the second and subsequent children claim that the funds are not sufficient whereas in the other group, that proportion is lower by 14.4 percentage points. Also, the other group includes more people who have no opinion on this matter.

This is probably because, on average, people in receipt of benefits for all children have smaller families and, as a consequence, their per capita payments are higher. However, it cannot be excluded that lower social aspirations of families at lower levels of income also have an impact. Another likely explanation, which would need to be further investigated, is the impact of living in rural areas. Indeed, on the one hand, there are limited options for spending money, especially in the case of people with low incomes who find it very difficult to travel over long distances to big cities without their own vehicle. On the other hand, there are better opportunities for addressing one’s basic needs by producing food at home.

Table 5. Opinion of the respondents on whether the 500+ program is enough to cover all child-raising expenses (families grouped by the extent to which they use the Family 500+ program)

Specification	Payment for the second and subsequent children	Payment for all children	Total (number)
Total = 100			
Yes, the funds disbursed under the program cover all expenses	27.9	33.3	31.0
The funds do not cover all expenses	51.2	36.8	43.0
Difficult to tell	20.9	29.8	26.0
Total (number)	43	57	100

Source: own study based on survey data, n = 100

Table 6. How families, grouped by the extent of using the Family 500+ program, spend the funds

Specification*	Payment for the second and subsequent children	Payment for all children	Total
	Total = 100		
Clothing and food	58.1	80.7	71.0
Education and extra-curricular activities	74.4	56.1	64.0
Savings	20.9	21.1	21.0
Hobbies and leisure	41.9	29.8	35.0
Flat renovation	9.3	17.5	14.0
Purchase of durable goods (home equipment, car etc.)	0.0	10.5	6.0
Repayment of outstanding debt	0.0	1.8	1.0
Other child-raising expenses	4.7	1.8	3.0
Expenses not related to child-raising	0.0	0.0	0.0
Total (number)	43	57	100

* The respondents could indicate three most important ways of spending their funds

Source: own study based on survey data, n = 100

The thesis presented above that people who have low incomes (or limited opportunities for pursuing their aspirations) have lower aspirations is indirectly corroborated by the distribution of replies on the ways of spending aid funds (Table 6). Three categories prevail in both cases: food and clothing; education and extra-curricular activities; and hobbies and leisure. Similar conclusions were drawn by Liszatyński (2017). However, the groups surveyed differ in the distribution of replies. Over 80% of people in receipt of benefits for all children allocate the funds received to their basic needs (food and clothing). As regards other targets of spending, the respective shares are by over ten percent lower than in the group in receipt of benefits for the second and subsequent children.

Although the survey sample is relatively small and the findings only reveal a slight difference in the areas of focus, they can provide an indirect basis for more general conclusions. As a matter of fact, wealthier families allocate a greater part of aid funds to more strategic purposes to help their children in starting an adult life. This means spending money on education and hobbies because the assumption behind both of these targets is to build human and social capital which is likely to provide numerous advantages in the future. The less wealthy group also do so, though to a smaller extent, because they must address their basic needs first. This could suggest (having in mind the need to exercise extreme caution in the interpretation) that within several decades, the aid scheme embedded in a broadly defined social policy is more likely to contribute to social disparities than to social convergence.

Economic activity of parents

The education level of parents differs between genders and between forms of using the aid scheme. In the case of men (Table 7), the distribution is similar in both groups, with a prevalent share of secondary technical education (ca. 40% in each group). The group in receipt of benefits for the second and subsequent children includes a greater number of high school graduates.

Women differ in their education levels from men (Table 8). Also, greater differences in female education exist between the two groups surveyed. First of all, the percentage of technical secondary school graduates is considerably lower, while that of university graduates is much higher. Interestingly, women with a tertiary education dominate in the group in receipt of benefits for the first and subsequent children (which is by definition poorer). Compared to the proportion found in the group in receipt of benefits for the second and subsequent children, the difference is as much as 14 percentage points.

This could suggest that having a tertiary education is no longer a guarantee of a good financial standing. Another possibility (especially when considering the young average age of parents in that group) is that female university graduates have just started their professional career and therefore their incomes are currently quite low. The latter interpretation would support the thesis advanced above that families at initial stages of living together need to be provided with assistance.

Table 7. Education of men in families grouped by the extent of using the Family 500+ program

Specification	Payment for the second and subsequent children	Payment for all children	Total
primary/junior secondary	0.0	0.0	0.0
secondary (high school)	11.6	5.3	8.0
secondary (technical school)	39.5	42.1	41.0
tertiary	16.3	14.0	15.0
vocational	32.6	38.6	36.0
Total (number)	43	57	100

Source: own study based on survey data, n = 100

Table 8. Education of women in families grouped by the extent of using the Family 500+ program

Specification	For the second and subsequent children aged up to 18 living with the family	For all children aged up to 18 living with the family	Total
primary/junior secondary	0.0	1.8	1.0
secondary (high school)	25.6	21.1	23.0
secondary (technical school)	20.9	15.8	18.0
tertiary	27.9	42.1	36.0
vocational	25.6	19.3	22.0
Total (number)	43	57	100

Source: own study based on survey data, n = 100

When it comes to men, there is a remarkably high level of employment in both groups and the absence of impact of the Family 500+ program on the level of economic activity (Table 9). Both today and before the program, the employment rate for men is over 95% in both groups surveyed. Both before and after the program was launched, most unemployed men have been looking for a job. The situation of women is considerably different (Table 10). First of all, even in the first period surveyed, their economic activity rate was much lower, especially in the group in receipt of payments for all children where only 40.4% of women were employed. The above is true for all education levels, e.g. of 12 female high school graduates, 6 were unemployed; of 9 technical female secondary school graduates, only one was employed; and of 24 women with a tertiary education, 15 were unemployed. The average low level of economic activity of one of the spouses was probably among the reasons for low levels of income.

A very important finding from the perspective of assessing the program in terms of its impact on the families' development capacity is the process of women exiting the labor market, manifested mostly in the group of families in receipt of benefits for all children. In that group, the level of female activity went down from 40.4% to 14.0% since the program was launched. Also, a large part of that group (over 52%) does not currently look for a job. In this case, too, the above is true for all education levels: of 12 female high school graduates, 6 are currently unemployed; of 9 female secondary technical school graduates, only one is employed; and of 24 women with a tertiary education, only 9 are employed.

In this context, note that the group in receipt of benefits for the second and subsequent children saw women exiting the labor market too, though to a much lesser extent. In that group, the employment rate is currently greater than in the group in receipt of benefits for all children before the program was launched. The worrying process of women exiting the labor market after the introduction of the Family 500+ program was also noticed by Rudzik-

-Sierdzińska (2017). Based on an analysis of public statistical data, she concluded that 20 to 33 thousand women could be affected by that problem, some of whom intentionally gave up work to become eligible for benefits for the first child. As noted by Brzeziński and Najsztub (2017), the fact that in families with low incomes one of the parents exits the labor market on account of the program could have adverse consequences in the long run. Similarly, Sawulski (2017) claims that while the program contributed to fighting poverty, it also reduced the rates of female activity. As an antidote, he proposes to allocate part of the funds to co-finance crèches and kindergartens.

Table 9. Economic activity of men in families grouped by the extent of using the Family 500+ program

Specification		Payment for the second and subsequent children	Payment for all children	Total
Employed when the program was launched	Total = 100			
	Yes	93.0	96.5	95.0
	No	7.0	3.5	5.0
Currently employed	Yes	93.0	96.5	95.0
	No	7.0	3.5	5.0
Looks for a job	Yes	7.0	0.0	3.0
	No	0.0	3.5	2.0
	Currently employed	93.0	96.5	95.0
Total (number)		43	57	100

Source: own study based on survey data, n = 100

Table 10. Economic activity of women in families grouped by the extent of using the Family 500+ program

Specification		Payment for the second and subsequent children	Payment for all children	Total
Employed when the program was launched	Total = 100			
	Yes	72.1	40.4	54.0
	No	27.9	59.6	46.0
Currently employed	Yes	67.4	14.0	37.0
	No	32.6	86.0	63.0
Looks for a job	Yes	2.3	33.3	20.0
	No	30.2	52.6	43.0
	Currently employed	67.4	14.0	37.0
Total (number)		43	57	100

Source: own study based on survey data, n = 100

Having in mind the need to exercise caution in interpretation, it is possible to identify two development strategies used by the families. The first one prefers caring for high incomes, supplemented only with public support. Usually, this is achieved in two ways: either both spouses are economically active, or (in the case of 32.6% of families from the group in receipt of payments for the second and subsequent children with an unemployed woman) one spouse earns high incomes (in practice, the father). The second strategy is based on more traditional family patterns and means a situation where the spouses reduce their incomes (either willingly or under labor market pressures), with one of them (in practice, the mother) focusing on child-raising. However, this means becoming dependent upon public aid which is a quite risky option in the long run.

Moreover, considering the way the funds are spent (with a prevailing role of basic goods: clothing and food; and with a relatively smaller share of money spent on education and hobbies), the quality of child-raising remains debatable. Obviously, the above can be caused to a certain extent by the rural nature of the commune considered and the long distance to work. In a situation where the potential earnings are low, traveling expenses are high and the commuting time is long, the “single breadwinner” strategy could be a reasonable option.

Potential impact of the program on birth rates

The survey also collected the respondents’ opinions about the impact of the Family 500+ program on birth rates, both in the individual dimension (Table 11) and in the social dimension (Table 12). Most respondents (69% of the total sample) found that the program would not affect their decision to have more children.

However, considerable differences exist between the two groups surveyed. In the group in receipt of payments for all children, opinions are split nearly evenly. Half of them envisage having more children, knowing that the child-raising expenses will be, at least partly, financed with public funds. But that attitude could result from the fact that the parents are relatively young, and consider their family to be *in statu nascendi*. Low rates of female activity (which means the mother stays at home) could also encourage to have more children. On the other hand—as mentioned earlier in this paper—low incomes, dependence upon public aid and the fact that aid is largely spent on basic needs make this a risky decision in the long run.

The group of people in receipt of benefits for the second and subsequent children are more consistent in their statements about having more children. According to 93% of them, the introduction of the Family 500+ program does not encourage people to have more children. While these attitudes are obviously driven by a series of individual conditions, note that on average these are families who already have more children and are composed of older

parents. Furthermore, both the female activity rates and the how the funds are spent (a prevailing share of expenditure on education and hobbies) reflect a different development strategy, focused more on high economic standards and on quality of child-raising. In this context, note that the above approach adopted by wealthier families somehow calls into question the social objectives of the program which was expected to contribute to higher birth rates.

However, that approach is consistent with the general trend: in wealthier societies, families decide to have children at an older age and the birth rates are lower (Bloosfeld 2019). That problem was also noted by Gromada (2017), who found that low birth rates are caused by different factors depending on the level of incomes, economic activity, personal aspirations and place of living. According to her, the above requires the use of multidimensional family policy tools which the Family 500+ program fails to provide.

Table 11. Declared intent to have more children in families grouped by the extent of using the Family 500+ program

Specification	Payment for the second and subsequent children	Payment for all children	Total
Total = 100			
Yes	7.0	49.1	31.0
No	93.0	50.9	69.0
Total (number)	43	57	100

Source: own study based on survey data, n = 100

Table 12. Statements regarding demographic growth on a nationwide basis in families grouped by the extent of using the Family 500+ program

Specification	Payment for the second and subsequent children	Payment for all children	Total
Total = 100			
Yes	65.1	64.9	65.0
No	34.9	35.1	35.0
Total (number)	43	57	100

Source: own study based on survey data, n = 100

Meanwhile, the interviewees have similar opinions on how the program affects demographic growth in Poland (Table 12). In both cases, ca. 65% of respondents believe it will contribute to greater birth rates. In the group in receipt of payments for all children, the difference from their own declarations is only 15 percentage points (49.1% in Table 11 vs. 64.9% in Table 12), whereas in the group in receipt of payments for the second and subsequent

children, the difference is nearly 60 percentage points (7.0% and 65.1%, respectively). Especially in the latter case, this could be regarded as a form of “free riding” which means that people abstain from accepting certain social responsibilities that require them to make individual efforts, hoping that someone else will do it for them (Ellingsen and Paltseva 2016).

Summary

Despite a relatively small sample, this study reveals two largely different approaches to the Family 500+ program. The essential criterion was the amount of incomes and the related family development strategy. In this paper, these approaches were represented by the group in receipt of payments for all children and the group in receipt of payments for the second and subsequent children. Their key particularities include:

- people in receipt of benefits for all children:
 - lower incomes,
 - younger parents,
 - aid is mainly used to address basic needs (food and clothing),
 - considerably lower rates of female activity, large number of women exiting the labor market after the program was launched,
 - the program results in a greater willingness to have more children,
 - more traditional family patterns (as an indirect conclusion);
- people in receipt of benefits for the second and subsequent children:
 - greater incomes,
 - older parents and larger families,
 - aid is largely spent on development purposes (education and hobbies),
 - high rates of female activity and a relatively small number of women exiting the labor market,
 - the program fails to encourage them to have more children; they are “free-riders”,
 - more modern family patterns (as an indirect conclusion).

The characteristics of both groups outlined above provide a basis for more general conclusions. The program analyzed in this paper assumes that funds will be spent in a reasonable manner, but it does not force people to do so by using subjective criteria. Such a structure does not necessarily lead – but may lead under certain circumstances – to individual and social irrationality, especially when considered in the long run. The nature of economic decisions made by economic operators and families requires that focus be placed on current urgent problems rather than on vague strategic issues. Moreover, individual objectives are not always consistent with social objectives.

It seems that the program's objectives have been largely met in the group of people with low incomes (in receipt of payments for all children): a large part of the respondents believe the benefits cover all child-raising expenses and, most importantly, declare their willingness to have more children. However, low incomes and women exiting the labor market can ultimately become a barrier to development rather than a development opportunity (and will be further exacerbated by smaller amounts of money spent on education). Becoming dependent upon public aid is another problem which could prevent people from improving their financial standing.

Conversely, in families with higher incomes, funds allocated under the Family 500+ program are a bonus which is largely spent on more sophisticated purposes, i.e. education and hobbies. In the future, this could help their children reach a better position in their professional career. While this is a positive aspect, it is inconsistent with the general objectives of the social policy which is expected to promote convergence rather than divergence in the development of different social groups. The unwillingness to have more children could result from the fact that the parents are older, on average, and that the families surveyed are already quite large. But in some cases, this could be caused by high economic activity rates of women. In such situations, the "free-riding" process could be countered by changing the existing family assistance scheme, for instance by providing public support to crèches and kindergartens, including financing for daycare services.

The Family 500+ program plays a specific role in rural areas, mainly because of the concentration of certain social problems, primarily including greater difficulties in finding a non-agricultural job. In that context, support for families can help reducing the income disparity between rural and urban areas. However, it must be borne in mind that such solutions can be regarded as a positive step only in the short run. Ultimately, it is not right to make entire societies dependent upon public aid, especially when considering the income-generating role of direct payments. Therefore, in parallel to providing the rural population with financial support, it is necessary to take measures that promote the development of rural economy (both the agricultural and non-agricultural sectors) or to ensure effective transport links between rural and urban areas. This is because the key condition for having a sustainable economy and a healthy society is to carry out production activities, leverage local strengths and promote individual activity. Public aid should only be a supplement used in duly justified circumstances.

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