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**Financial support to families with children – legal solutions in
Croatia and Serbia**

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**The contents of this document do not reflect the official views of the Parliament of Montenegro.*

*** All expressions used in this paper for natural persons shall refer equally to both men and women.*

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FOREWORD

Financial support to family and children and the right to certain social services aimed at preventing the risk of poverty and providing assistance during the upbringing of children are an integral part of social protection policies and systems in almost all modern countries. Measures of financial support provided by the state within the frameworks of social protection systems and family policies mostly involve financial assistance intended for children, single-parents, or families that are not able to provide for themselves and are very often aimed at increasing birth rate.¹ Family benefits are defined as financial aid to families with children in order to facilitate the payment of costs for raising children.² Families who have children are considered an economically vulnerable category as they must cover for more expenses for raising the children, and at the same time, because of childcare, have fewer opportunities for generating income. Therefore, in a lot of countries, families who have children are at a greater risk of poverty compared to other households. In this regard, financial support to family may have a key role in preventing economic jeopardy of the family.³

In this context, financial support to family is mostly conditioned by the number of family members, property and income per household member, while the most common form of financial support provided by the state is child allowance. In more than half of the countries of the Organisation for Economic Cooperation and Development, OECD, the amount of child allowance is not conditioned by the family income and is paid as a universal benefit, while in certain countries, the amount of child allowance is determined in accordance with the level of generated income, hence in the event that the income increases, child allowance is reduced. It is also determined in accordance with the means test. The amount of child allowance can be universally available to all children, which most often depends on the number of children and/or the age of children.⁴

In addition, there is a set of benefits such as one-off compensations for the newly born child, compensation for maternity or parental leave, etc., which may certainly affect income and family well-being.

In order to collect the data related to financial support to families with children in Croatia and Serbia, the Research Centre presented the legal solutions on the matter in both countries. Accordingly, both countries provide for several types of family support, from child allowance, compensation for maternity and parental leave, to several forms of social assistance.

In Croatia, the right to allowance, as a right of every child within a household, is accrued and exercised depending on the total amount of income of household members, whilst the country, aside to the aforementioned, provides for a special allowance for the third and fourth child. However, in Serbia, when acquiring the right to allowance, apart from the household income, the means test shall be taken into account as well. Another measure of

¹ Drenka Vuković, *Socijalna sigurnost*, Fakultet političkih nauka Univerziteta u Beogradu, 2009

² Willem Adema, Nabil Ali and Oliver Thévenon, *Changes in Family Policies and Outcomes: Is there Convergence?*, *OECD Social, Employment and Migration Working Papers, No. 157*, OECD Publishing, Paris, 2014 <http://www.oecdilibrary.org/docserver/download/5jz13wllxgzt.pdf?expires=1427961110&id=id&accname=guest&checksum=D685952010CB60482DB93B9E4707639C> (Accessed on 2 April, 2015)

³ Marina Pantelić, Anita Burgund, *Programi podrške porodici i deci u Evropskoj uniji*, Godišnjak FPN, br. 09/2013, Beograd

⁴ W. Adema, N. Ali, O. Thevenon, *Ibid.*

financial assistance in Serbia is parental allowance which is paid for the first, second, third and fourth child, upon birth, wherein, the total amount of the expenses involving the first child is covered by the family, whereas a determined amount involving other children is paid in monthly installments. Additionally, in Croatia, parents are entitled to a one-off financial assistance for the birth of a child. Furthermore, there is a special foundation in Croatia, established by the Government, aimed at providing support to families with a great number of children and families living in undeveloped regions, as well as to gifted children from those areas. The Foundation is funded by the revenue generated from the games of chance, gifts and donations.

The remainder of the document contains legal solutions related to financial support to families with children in Croatia and Serbia.

The complete document in Montenegrin language is available at:

<http://www.skupstina.me/images/dokumenti/biblioteka-i-istrazivanje/2015/2.pdf>