

Embargoed until: 15 August 2007, 10:45 am

Check against delivery

SPEECH

BY HIS SERENE HIGHNESS HEREDITARY PRINCE

ALOIS

VON UND ZU LIECHTENSTEIN

ON THE OCCASION OF NATIONAL DAY 2007

Dear People of Liechtenstein

2007 is the Year of the Family in Liechtenstein. Not all annual themes are equally important and attract the same attention. This year, however, the theme of the family has met with a justifiably high level of interest, since families are the most important pillars of our society.

We live the first years of our lives in our family, and we are taken care of and raised in a phase that is crucial for the rest of our lives. But even later on, when we follow our own paths, the family is the most important institution for most of us. Many of us, especially those of us who start our own family, continue to spend a large share of our time with our family. For many of us, the family is also the first stop for speedy advice or help. And most of us want to spend the end of our lives in the circle of our family.

Unfortunately, not everyone is lucky enough to grow up in an intact family, and unfortunately, not every family can take sufficient care of its members. Due to deaths, separations, and other strokes of fate, different families have always differed in terms of the support they offer families and hence in terms of how well they function as pillars of society. Wars and disease have hit families particularly hard, with corresponding harm to their societies. Nevertheless, all attempts throughout history to replace families with other models have failed. For the State, one of the reasons families are so important is because their services are rendered on a voluntary basis. If the State had to compensate the services rendered by families, it would quickly go bankrupt.

In recent decades, the structures of families have changed dramatically. Already during industrialization, rural structures began to dissolve. It was

often no longer possible for both parents to work, raise the children, and take care of and provide for grandparents at the same time as they had on the farm. This development reached Liechtenstein somewhat later. Nevertheless, it no longer sufficed for old people to be provided for by their children, but rather the State had to institute Old Age Insurance and other social security programs to allow old people to live out their lives in dignity. This was possible since industrialization not only led to the dissolution of rural structures for taking care of people in old age, but it also led to a significant increase in labor productivity, which secured funding for Old Age Insurance and other social security institutions as an adequate replacement.

With respect to taking care of and raising our children, the State has also supported parents in this area for a long time by providing various benefits. We provide a maternity allowance, a child allowance, and parental leave, and kindergartens and compulsory schools are free. These forms of support also facilitate the decision of many couples to have children.

However, the number of parents is increasingly significant for whom this assistance no longer suffices. On the one hand, the number of single parents, who often depend on additional working income, has been growing. On the other hand, many women for several reasons no longer want to give up work for the sake of having children:

- First, many women now have an excellent education and interesting jobs, which they are reluctant to give up for the sake of children, especially if the danger is great that they will not be able to resume their careers equally well later on.
- Second, the demands on a happy life have risen. Without a home theater and foreign vacations, many feel that they have a second-class

life, and they therefore would rather not have children than give up a second income.

- Third, we now live in a time when every second marriage ends in divorce. If the risk is high to lose the income of the marriage partner, the fear rises of being away from the labor market for too long.
- Finally, it is also much more expensive to raise children today than it used to be, as shown by the considerable number of families with many children who live below the poverty line.

The compatibility of career and children is the greatest challenge for the family today. But it is also a challenge for the economy. In light of the decreasing annual birth numbers and the lack of qualified workers, the interest of the private sector in highly educated women has become significant. This means that both families and the economy are calling for more support by the State to facilitate the coexistence of career and children. Should the State follow this call?

It would seem obvious that meeting this challenge should be left to the private sector, since it has an interest in overcoming it. However, only very few businesses offer truly good solutions for the compatibility of career and children. It can be expected that more businesses will soon make appropriate investments to improve their position as an attractive employer. If these measures are successful, additional businesses will adopt this approach. It is questionable, however, whether this will occur quickly and to the desired extent.

If the private sector does not offer satisfactory solutions at least in the medium term, the State will in practice intervene, whether one believes State

intervention to be proper or not. What can the State do to improve the compatibility of career and children?

The State can call upon the private sector, but also society as a whole to adopt friendlier attitudes toward families with children:

- It can explain to the private sector that the family-friendliness of locations is becoming increasingly important in the competition for the best workers and that it is better if the private sector itself ensures a favorable climate for families, before the State is compelled to impose bureaucratic solutions.
- It can encourage fathers to support mothers better with housework and raising children, so that they do not have to bear the entire burden alone.
- And it can point out to society that it makes no sense to ask for more support for more children, while at the same time treating children as undesirable objects in daily life. If the presence of children in shops or restaurants immediately meets with annoyed glances, then we should not be surprised that many people do not want to have children.

The calls by the State to improve the compatibility of career and children make sense in any case and do not cost much. In practice, however, financial support will also be required, also given that it is already being provided. In principle, State support currently adopts two different approaches: Either the State finances a rapid return to work by providing daycare facilities and similar institutions to take care of children. Or it increases its support for families through direct subsidies such as higher child allowances or longer paid parental leave, in order to compensate for the financial disadvantages of taking care of children at home.

Both approaches have their advantages and disadvantages. Research increasingly shows that the first few years of life are crucial for our development, and that nature has assigned mothers an important role during this phase, not without reason. If, through one-sided support of third-party care centers, we push mothers toward handing over their children as quickly as possible, this has disadvantages. However, one-sided support of care at home would also not bring about the desired results: Even if child allowances were as high as average wages, many would not want to give up their career for a long period of time, for the reasons already mentioned. Moreover, not every mother fulfills her role in the desired manner, so that early care in a daycare center may, under certain circumstances, be better for a child than a childhood spent at home in front of the television. Finally, occasional time spent in a children's playgroup or a daycare center may also have advantages, especially in the case of only children and foreign-language children.

If enhanced financial resources are politically necessary to support families, then it will be important to find flexible structures allowing parents to choose freely between third-party care, care at home, and a mixture of the two.

In addition to the measures mentioned, changes to our educational system may entail improvements for our families. We should therefore abolish the centrally planned school structures prevalent today also in our kindergartens and primary schools. This means that we must give schools and kindergartens more autonomy in this area as well, that we must allow parents to choose schools and kindergartens themselves, and that financial means should no longer be given directly to schools and kindergartens, but rather to parents in the form of school vouchers or education accounts. Such changes will hardly

lead to additional costs, but will rather quickly reorient educational offerings toward the needs of parents and their children. If primary schools and kindergartens had to compete with each other today, then we would already enjoy a greater offering of all-day schools and supervised homework hours. Private schools demonstrate that this is not only true in theory. For this reason, we should not limit our reforms to the secondary school level, but also initiate similar steps as soon as possible in our primary schools and kindergartens. This is also important since we can achieve much more at this level with respect to equal opportunity and the integration of foreigners than at the secondary school level.

Dear People of Liechtenstein

Although society has changed dramatically in recent decades, as has the situation of families, families continue to be the most important pillar of our society. If we strengthen them through a smart family and educational policy, we ultimately also strengthen our State.

Following the speech by the President of Parliament, I would like to invite you to refreshments in front of the Castle in the name of my family. I would like to express my sincere thanks to everyone who has worked on the organization of the National Day, and I wish all of you a wonderful holiday and God's blessings.

Vaduz Castle, August 2007