The German Family Policy Shift

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Context

→ Archetypical male-breadwinner model
  → High cash transfers
  → Long leave periods
  → Low level of childcare services

→ Already in 1990s gradual adaptations (right to part-time care for 3-6 group)

→ Since beginning of 21st century changes have accelerated
  → 2001 parental leave reform
  → 2004 fund for all day schools (4 billion over 5 years)
  → 2005 Childcare Expansion Law (TAG)
    - goal: 250,000 additional places by 2013
    - but funding inadequate
Parental Leave Overhaul (2007)

- Clearly inspired by Swedish parental leave model
- Main features:
  - 12 months leave at 67% of prior wage (min 300€ / max 1800€)
  - 2 additional months if taken by the father (partner months)
  - Alternatively 24+4 at 33.5% prior wage (min 150€ / max 900€)
  - Low income support (below 1000€)
- Wage replacement, partner months and shorter leave periods have the explicit aim to:
  - Reduce length of female labour market exit (opportunity costs)
  - Facilitate fathers' leave take up
Parental Leave Statistics (2007 – QI)

- In 2006 3.5% of fathers took parental leave
- Between January-March 2007 the figure was 8.5%
  - 30% of fathers applied for the 12 months of paid leave
  - 46% took 2 months paid leave
- 86% of mothers opted for the full 12 month paid leave period

- 54% of recipients received the minimum compensation (300€)
- Only 1.5% received the maximum compensation (1.800€)

- 85% of recipients where German citizens, 15% of foreign origin
Childcare Services (u3)

→ Barcelona target is 35% coverage by 2013
→ Situation in Germany today
   → West 135,000 slots = 7.8%
   → East 150,000 slots = 39%

→ 2005 TAG goals
   → West 286,000 slots = 17%
   → East 150,000 slots = 39%

→ New 2013 target
   → West 550,000 slots = 33%
   → East 190,000 slots = 50%

304,000 additional places

70% crèches
213,000

30% child minders
91,000

Expansion
Financial Costs

- Umwandlungs- und Baukosten
- Netto-Betriebskosten

Netto-Ausgaben der öffentlichen Hand in Mio. Euro

- 2008: 980 Mio. Euro
  - 621 Mio. Euro
  - 359 Mio. Euro

  - 621 Mio. Euro
  - 717 Mio. Euro

- 2010: 1.697 Mio. Euro
  - 621 Mio. Euro
  - 1.076 Mio. Euro

- 2011: 2.043 Mio. Euro
  - 609 Mio. Euro
  - 1.434 Mio. Euro

- 2012: 2.402 Mio. Euro
  - 609 Mio. Euro
  - 1.793 Mio. Euro

- 2013: 2.760 Mio. Euro
  - 609 Mio. Euro
  - 2.151 Mio. Euro

- ab 2013: 2.151 Mio. Euro
  - 2.151 Mio. Euro
National Financial Contributions

→ 4 billion Euro till 2013
  → 2.15 billion investment costs between 2008-2013
  → Running costs 1.85

→ 700 million annually from 2014 onwards

Major factual change of two family dimensions accompanied by underlying goals

PARADIGM SHIFT