

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

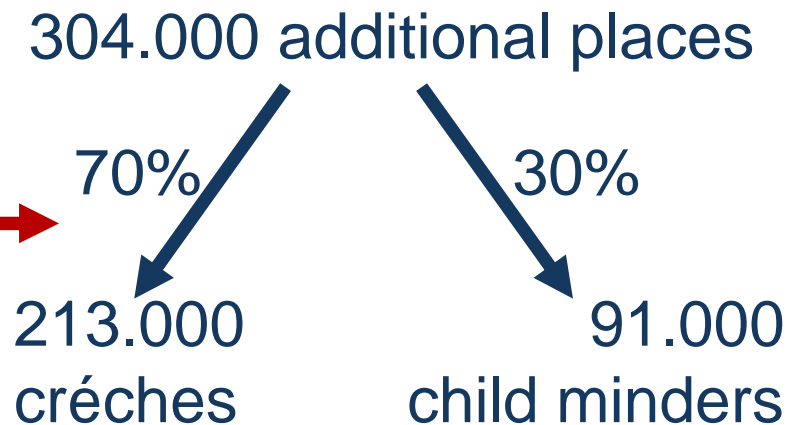
Parental Leave Statistics (2007 – Q1)

- 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

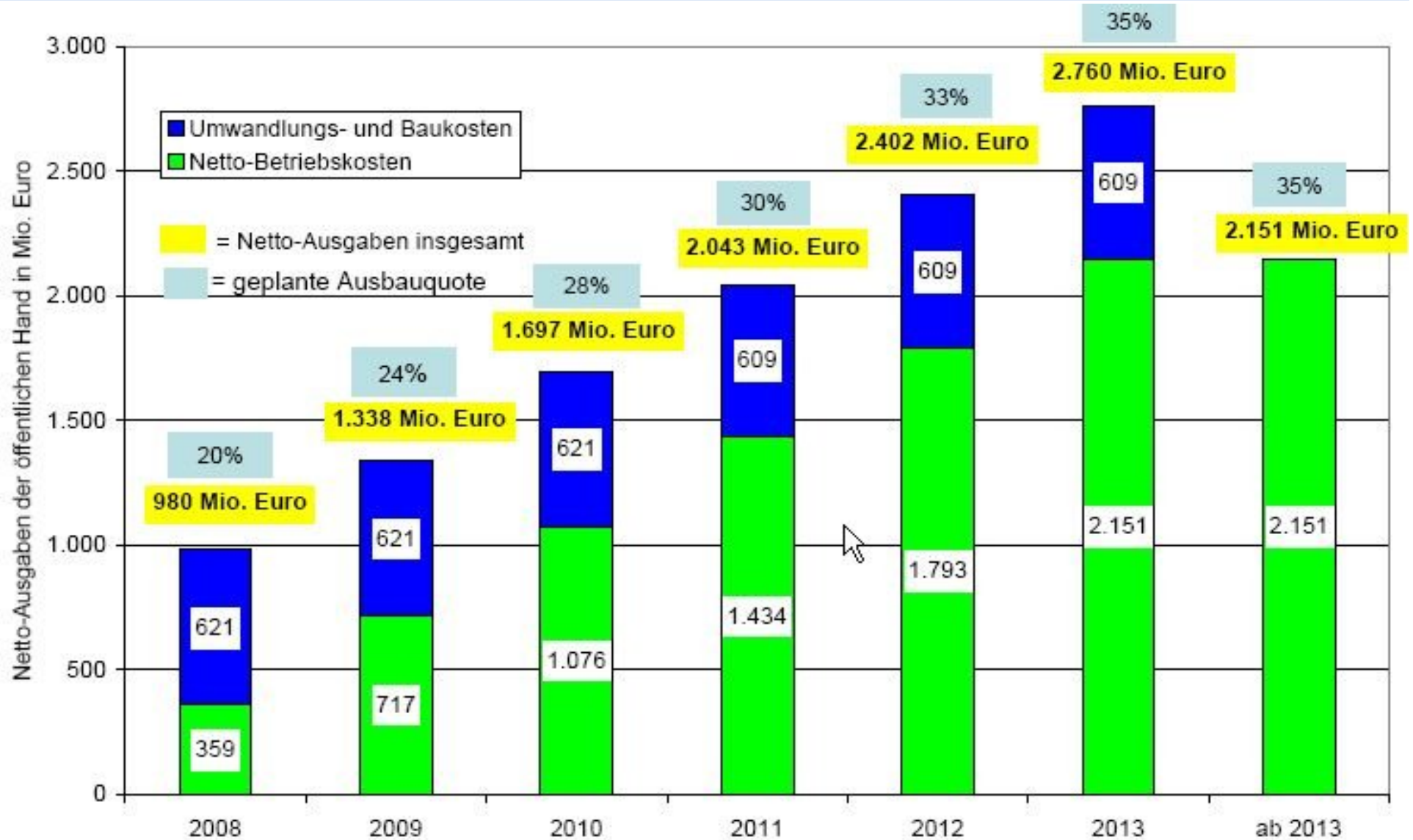
Childcare Services (u3)

- 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%

Expansion →



Financial Costs



National Financial Contributions

- 4 billion Euro till 2013
 - 2.15 billion investment costs between 2008-2013
 - Running costs 1.85
 - 2009 : 100 Mio.€; 2010: 200 Mio. €; 2011: 350 Mio. €;
2012: 500 Mio. €; 2013: 700 Mio. €
- 700 million annually from 2014 onwards

**Major factual change of two family dimensions
accompanied by underlying goals**

PARADIGM SHIFT