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Germany

Pre- and post-crisis family policy reforms

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Outline

1) INTRODUCTION

2) PRE-CRISIS REFORMS

3) POST-CRISIS REFORMS

5) CONCLUSIONS

1) Question

- Modernising and cost-intensive reform path just entered in German family policies

➔ Was it continued or broken with after the crisis?

1) Introduction – What to expect...

- **...enforcement of the reform paths?**
 - **first stage** of stimulus packages (Richardson 2010)
 - crisis could be ‚window of opportunity‘ for new social risks policies (Fink 2009)
- **...termination of the reform paths?**
 - **second stage** of austerity packages (Richardson 2010)
 - national agendas dominated by issue of reducing public expenditure

2) Most important pre-crisis family policy reforms

1) Introduction of the *Elterngeld* (parental benefit) in 2007

1) *Kinderförderungsgesetz* in 2008

2) Elterngeld

- Former model
 - Long leave of 3 years, 2 of them paid flat-rate (307 Euros per month)
- New model
 - 12+2-months
 - Wage replacement of 67%
 - Minimum amount of 300 Euros and maximum amount of 1800 Euros

2) KiföG (2008)

- Federal law providing for the massive expansion of childcare facilities for under three-year-olds
- Aim: create, until 2013, places for 35 percent of under three-year-olds, i.e. 500,000 new places
- From 2013, right to childcare from age of one year
- Modernising compromise: From 2013, possibly also childcare benefit



3) Most important post-crisis reforms

1) Reform of the *Elterngeld* (parental benefit) in 2011

1) Introduction of the *Pflegezeit* (caring time) in 2012

3) Reform of the *Elterngeld* (2011)

- Long-term unemployed no longer eligible to minimum amount (300€)
- For middle-income parents (monthly net income of more than 1240€), wage replacement rate reduced from 67% to 65%

Introduction of the *Pflegezeit* (2012)

- Reduced working time model
 - Reduce working time to 50% for 2 years, still receiving 75% of wage
 - Work full-time again and still receive 75% of wage for another 2 years
- ➔ No legal right as originally foreseen



Conclusions

- Direction of reform path not broken with, but times of expansion over
 - ➔ Little scope for far-reaching family policy reforms?



Thank you for your attention!